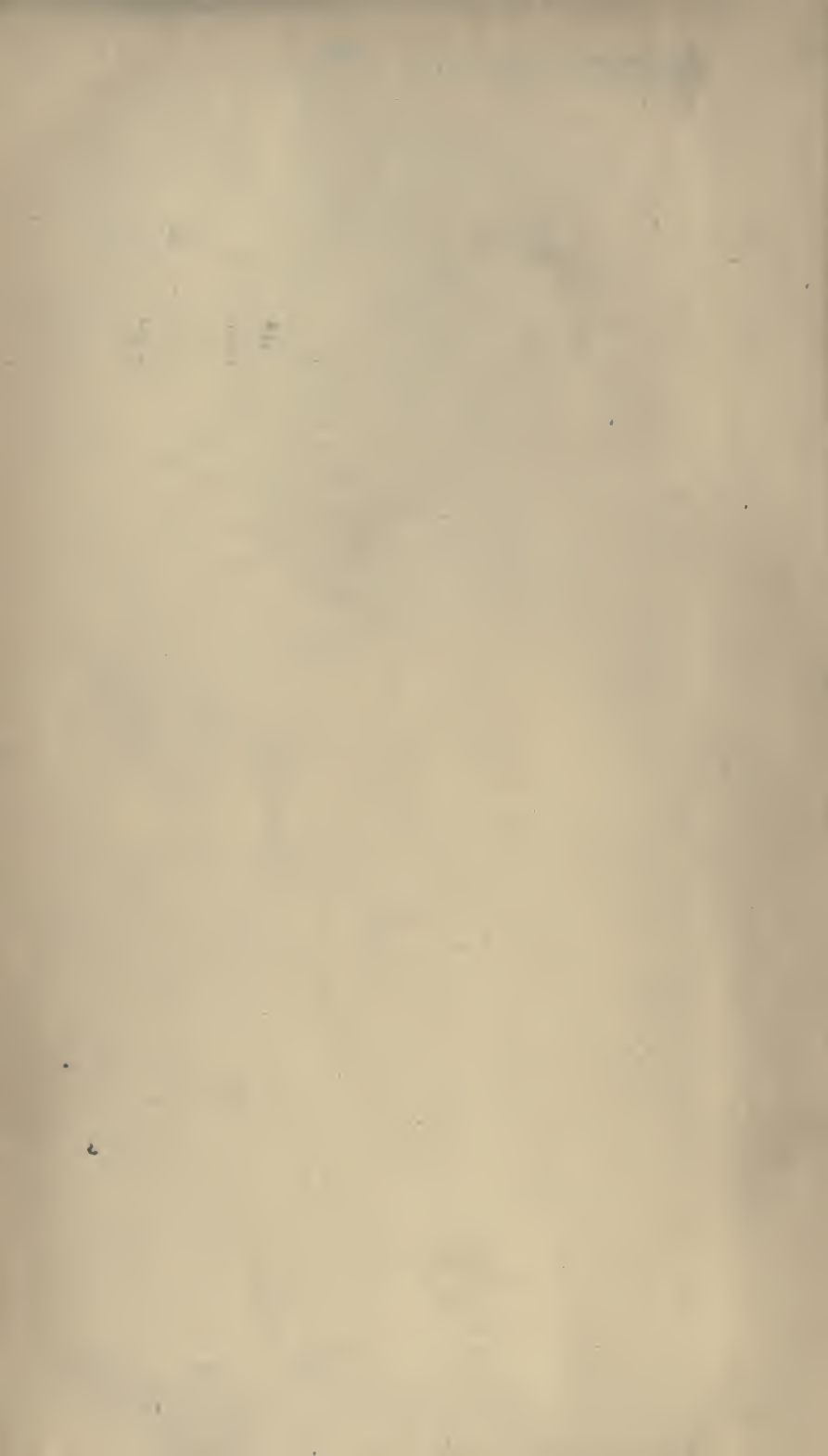


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INTRODUCTION.

In presenting the first number of the Journal to the members of the Empire Parliamentary Association in the Parliaments of the United Kingdom and the Dominions, a few words of explanation as to its scope and objects are necessary, more especially by reason of the fact that the membership of most of the Parliaments of the Empire has undergone some change since the decision was first arrived at to issue a quarterly Journal on the lines of the present publication.

When the Association was formed at the Coronation of His Majesty, with branches under the Presidency of the Speakers of the two Houses of Parliament in the United Kingdom, Canada, Australia, New Zealand, South Africa and Newfoundland, it was intended to use the machinery of the Association not only to provide for increased intercourse, individually and collectively, between Members of Parliament of the Empire, but also to make provision for a satisfactory system of exchange of information between the Parliaments of the British Commonwealth.

One of the most obvious directions in which improvements of the methods of exchange of information were necessary was in connection with the actual work of the Parliaments; and as a result of conferences, held in 1913, between the delegation of Lords and Commons (which visited the Dominions in that year under the auspices of the Association) and the Committees of the Association in the Dominions, Resolutions were passed by the oversea branches in favour of the establishment of a Parliamentary Journal giving short, summarised accounts of the important proceedings, and of the Bills introduced, in the various Parliaments of the Empire in relation to matters of Imperial and general interest. It was felt that legislation was being proposed and enacted in each Parliament with very inadequate knowledge as to what was happening in other Parliaments, and that the great mass of valuable material that was often buried in voluminous issues of Hansards should be carefully studied and the main points of general interest extracted for the information of Members of the different Parliaments. It was believed that such a Journal would provide valuable information as to legislative proposals and enactments, concerning which much research was often necessary, and thus possibly assist in establishing community of ideals and similarity of legislation. Further, it was considered that the Journal should

be of political value in serving to define the attitude adopted towards questions of Imperial importance by the leaders of governments and parties at home and oversea.

The arrangements for the establishment of the Journal had made some headway in 1914 when the outbreak of the war, and the necessity of concentrating effort in that direction, caused the project to be temporarily abandoned. Though the war brought about improved methods for the exchange of information between home and oversea members of the Association, mainly in relation to foreign and Dominion politics, it was realised that, during war time, actual legislative proposals and discussions in Parliament (apart from the war legislation of the different Parliaments, for which a special publication was issued by the Association) were not of sufficient importance to warrant special treatment, more particularly having regard to the difficulties connected with publication. But with the cessation of hostilities, interest in the proposed Journal was immediately revived, and as a result of consultations between representatives of home and oversea Branches of the Association, it was decided to issue the first number in January, 1920.

In compiling the first number of the Journal, various doubts at once arose, not the least of which was where to begin. Bearing in mind the importance of making the summaries as short as possible and the fact that practically a new era was introduced into the Parliamentary annals of the Dominions by the Peace Treaty discussions, it was decided that the most convenient starting points were the special sessions called to approve the proposals contained in the Treaty of Peace. No attempt, therefore, has been made to deal with the work of the Dominion Parliaments prior to the special sessions which, generally speaking, were held during the latter part of 1919. As for the United Kingdom, it was found that the great amount of important discussions and legislation introduced only permitted of that part of the 1919 Session being considered which commenced on 22nd October. An exception, however, occurred in the case of the discussions in the Lords and Commons on the Peace Treaty which took place in July, as it was felt that a publication which outlined the various points of view in the Dominion Parliaments on peace questions and the mandatory system, but which at the same time contained no reference to the discussions in the Home Parliament, would be singularly incomplete.

The problem of where to commence having been settled necessarily in a somewhat arbitrary fashion, the same principle had to be adopted in the choice and arrangement of subjects and speeches to be treated. In these matters attention

has been directed to the Bills, Acts and discussions of a Parliament by reason of the interest likely to be aroused amongst members of other Parliaments, and this consideration, combined with the undoubted fact that if made too long the Journal would not be read, has caused the compilers often to summarise very closely and frequently to omit altogether, items of perhaps great local importance. Again, speeches of leading statesmen have had to be very shortly dealt with, and only a few of the main points given. Indeed, many speeches of great interest have been entirely omitted, though an attempt has always been made to treat the representatives of the different parties on a basis of perfect equality and to define their attitude as clearly as practicable in the fewest possible words.

The Peace discussions in the various Parliaments have necessarily made the first issue of the Journal somewhat bulky, but these have been of considerable importance, and it is believed the summaries of them will not only convey current information as to the point of view of the leaders of political thought in the different nations of the Commonwealth, but will also supply a record of some historical value.

Members of the Association in the Parliaments will no doubt find certain matters open to criticism, but some indulgence may be claimed for the first issue, particularly by reason of the late arrival of some of the Hansards from oversea. But it should be at once said that any suggestions for the improvement of the Journal will be most cordially welcomed. Among the points raised, members may legitimately ask why no reference has been made in the Journal to the interesting legislation of the State Parliaments of Australia, and in anticipation of this it may be said that it is intended in the future to include references to the work of general interest in the State Parliaments, though the amount of space demanded by reason of the importance of the matters considered in the Commonwealth Parliament made it necessary to confine attention to that Parliament in the first number of the Journal.

Again, it may be wondered why matters of importance which have been discussed in the last session of different Parliaments find no place in the Journal. Considerations of space in this number have forced certain matters which were not completed in the last sessions to be held over till the next Journal, before the issue of which it is expected further progress will have been made with them.

As regards Newfoundland, the last Parliamentary Session terminated in April, 1919, and the General Election took place in November. When the new Parliament meets, attention will be given to the proceedings in the same way as in other Dominions.

It should be added that, if a member of the Association should desire to consult the Bill, Act or Parliamentary Debate from which any summary is made, the full text will be available for consultation in the Rooms of the Association. Copies of Bills, Acts or the Daily Official Reports of Parliamentary Debates of the United Kingdom Parliament can be forwarded to oversea members on application.

Finally, it may be well to indicate at any rate one function which the Journal is not intended to perform. Being a Journal of Parliaments, prepared for Members of Parliament of the British Empire for the purpose of keeping them in touch with each other's doings, it is not intended as a critical Review of Legislation. Often mere proposals will be given, such as summaries of Bills which may never pass beyond the first reading, but which may nevertheless convey ideas to legislators in other parts of the Empire who may be thinking on similar lines. It is true that Acts of Parliament will often be summarised, but this will be done from the point of view of the legislator, who will be able to follow the reasons advanced in Parliament for and against, rather than from the point of view of the lawyer who may want to know all about previous legislation of a kindred character. For the latter purpose the admirable publication issued by the Society of Comparative Legislation is amply sufficient.

Though prepared primarily for the use of Members of Parliament, it is anticipated that Journalists and men dealing with public affairs generally may find this Journal of some help. But the main purpose is a Parliamentary one; and by keeping Members of the Parliaments of the Empire in touch with each other's proposals, ideas and attitude of mind on various political issues, it is hoped by the Committees of the Empire Parliamentary Association at home and oversea that the Journal may prove an effective link between the Parliaments of the British Commonwealth of Nations.

THE EDITOR.

EMPIRE PARLIAMENTARY ASSOCIATION
(*United Kingdom Branch*),
WESTMINSTER HALL,
HOUSES OF PARLIAMENT,
LONDON, S.W.1.

15th January, 1920.

UNITED KINGDOM.

Both Houses reassembled on 22nd October, 1919, at the close of the Autumn Recess to continue the business of the first Session of the third Parliament of King George V., which was elected in December, 1918, and met on 4th February, 1919. The appended summary of proceedings relates mainly to business transacted during the Autumn portion of the Session, which was brought to a conclusion by the Prorogation of Parliament on 23rd December. An exception is made, however, in the case of the Peace Treaty Debates, which took place before the adjournment in August. In dealing with some of the legislative proposals of the Government, it has also been necessary, in view of the fact that they originated prior to October, to take account of proceedings during the earlier part of the Session, although, as already indicated, the governing idea has been to limit the period dealt with to the Autumn months.

TREATY OF PEACE AND ANGLO-FRENCH TREATY ACTS.

The Treaty of Peace Bill and the Anglo-French Treaty (Defence of France) Bill—two measures to enforce what the Prime Minister described as the most momentous document to which the British Empire had ever affixed its seal—were read a first time in the House of Commons on 3rd July. Their presentation was the occasion of an important speech by the Premier, whose rising was the subject of a general ovation. The first-named measure was fully debated in both Houses, and the two Acts received the Royal Assent on the same date—31st July. The object of the Treaty of Peace Act is :—

To enable His Majesty to make such appointments, establish such offices, make such Orders in Council, and do such things as appear to him to be necessary for carrying out the Treaty, and giving effect to any of its provisions.

The Anglo-French Treaty Act provides that, in accordance with the terms of the Treaty of Peace, Great Britain and the United States undertake to come to the assistance of France in the case of unprovoked aggression by Germany.

DEBATE IN HOUSE OF COMMONS.

The Prime Minister (The Right Hon. D. Lloyd George) pointed out that the ratification of the Treaty was a matter for the Crown, but an Act of Parliament was

necessary in order to enforce certain of its provisions. An Act was also necessary in order to obtain the sanction of Parliament to the Convention between His Majesty and the President of the French Republic. Proceeding, he made cordial acknowledgment of the assistance he had received in the preparation of the Treaty from various colleagues in the Government, mentioning especially the work done in France by Mr. Balfour and Mr. G. N. Barnes. "I should also like," he remarked, "to say how much we owe to the Prime Ministers and other members of the great Dominion Governments for the assistance which they gave—Sir Robert Borden, Mr. Hughes, Mr. Massey, and General Botha. They took part in some of the most difficult Commissions, notably the territorial Commissions for the adjustment of the extraordinarily delicate and complex ethnical, economic and strategic questions which arose between the various States throughout Europe. They, in the main, represented the British Empire on many of these most difficult Commissions. We owe a great deal to the ability and judgment with which they discharged their functions." A tribute was likewise paid to the work of the British experts on the various Commissions, the Prime Minister observing that, to say the very least, they had met the experts of the whole world on equal terms.

Regarding the Treaty itself, the right hon. Gentleman repeated an expression used on a previous occasion, when he had described it as a "stern, but a just Treaty." The terms were, in many respects, terrible; but terrible were the deeds which the Treaty required. Terrible were the consequences that were inflicted upon the world; still more terrible would have been the consequences had Germany succeeded. Dealing with the Treaty terms which had been challenged, he said that in so far as territories had been taken away from Germany it was a restoration. He asked anyone to point to any territorial change made in respect to Germany in Europe which was in the least an injustice, judged by any principle of fairness.

Reparation.

Coming to the question of reparation, the Prime Minister asked, "Are the terms unjust to Germany?" If all the costs incurred by every country that had been forced into war by the action of Germany had been thrown upon Germany, it would have been in accord with every principle of civilised jurisprudence. There was but one limit to the justice and the wisdom of the reparation the Allies claimed—that was the limit of Germany's capacity to pay. No one could claim that it was unjust to impose upon Germany the payments that had been demanded unless he believed that the justice of the war was on the side of Germany. The question of disarmament

was referred to in a sentence. "Having regard to the use which Germany made of her great army," said the right hon. Gentleman, "is there anything unjust in scattering that army, disarming it, making it incapable of repeating the injury which it has inflicted upon the world?"

The German Colonies were next dealt with. "In some of the Colonies," Mr. Lloyd George remarked, "there is most overwhelming evidence that Germany had cruelly ill-treated the natives. If, in face of that evidence, we had restored these Colonies to Germany—especially having regard to the part which the natives have taken in their own liberation—and thus given Germany an opportunity of effecting reprisals, it would have been a base betrayal. . . . Take the other use which Germany made of her Colonies. South-West Africa she used as a means of stirring up sedition and rebellion against the South African Colonies. The other Colonies she used as a base for preying upon the commerce of all countries in those seas. It would have been folly on our part to have restored those Colonies to Germany. We should, under those conditions, have widened the area of injustice in the world—it is already wide enough—and given renewed opportunities to Germany for possible future mischief."

Trial of War Criminals.

Passing to the subject of the trial of those responsible for the War, Mr. Lloyd George said it was essential, if wars of this kind were to be prevented in future, that those who were personally responsible for them and had taken part in plotting and planning them, should be held personally responsible. Had this been done before there would have been fewer wars. "We have decided," he continued, "that the man who undoubtedly had the prime responsibility for the War, in the judgment, at any rate, of the Allied countries, should be tried for the offence he committed in breaking treaties which he was bound in honour to respect, to which he was a party, and by that means bringing such horrors upon the world. The Allied countries have decided quite unanimously that the tribunal shall be an Inter-Allied one, and that it shall sit in London for the trial of the person supremely responsible for this war."

The right hon. gentleman went on to say that the same thing applied to punishment for offences against the laws of war. There was a longer category than the House might imagine, and had it not been that evidence was overwhelming he would not have thought any nation with a pretence to civilisation could have committed such atrocities. The persons responsible must be tried, and they would get an absolutely fair trial.

Guarantees for Treaty Execution.

“What are your guarantees for the execution of this stern treaty?” That question gave the Allied Statesmen great concern. They were determined that the Treaty should not be a scrap of paper. The first step they took was to reduce the German Army from 4,000,000 to 100,000—a force quite adequate for the maintenance of the peace in Germany. The British Delegation had no hesitation in proposing that it should be a voluntary Army, with a long term of service. “We regard the disarmament of Germany—the reduction of her Army, the destruction of her arsenals, the taking away of her guns—as one of the foremost guarantees for peace which you could exact in the Treaty. The same thing applies to her Navy.”

The Anglo-French Treaty Bill was cited by the right hon. gentleman as another guarantee, which was to be entered into with the approval of the League of Nations. “But the League of Nations is an experiment, and France has within living memory twice been invaded by Germany. She is, with a population of 40,000,000, facing a very hostile population of 60,000,000 or 70,000,000, and France has legitimate reason for feeling a nervous apprehension. When Britain has gone home, when America has left 3,000 miles between her and the coast of France, and when those gallant men from the Dominions who have fought so bravely on French soil—the Australians, and the men of New Zealand, South Africa, and Canada, who won the deepest affection in France—have departed, France sees herself there with only the Rhine between her and this foe, which has trampled upon her ruthlessly and torn her flesh twice within living memory. Therefore, France says, ‘We would like to know that you, Britain, that you, America, who helped to emancipate our soil, are still behind us if there is any wanton aggression.’ I invite the British Parliament to say ‘Yes.’”

League of Nations.

“That shows a lack of faith in the League of Nations,” an hon. Member interjected.

The Prime Minister: “I do not agree that it means a lack of faith in the League of Nations. On the contrary, the League of Nations will be of no value unless it has behind it the sanction of strong nations prepared at a moment’s notice to stop aggression. Otherwise the League of Nations will be a scrap of paper. I know it is said that this binds you to engage by the side of France in war with Germany, if ever it should happen. No! It only engages us if there be wanton provocation on the part of Germany.” A further guarantee, Mr. Lloyd George added, was the Army of Occupa-

tion, touching which he said that if Germany showed her goodwill, if she gave the necessary guarantees for the execution of the Treaty, then France was quite prepared to reconsider at the proper moment the question of occupation.

The last and the greatest guarantee was the League of Nations. "You could not have had the War in 1914," the Premier declared, "if the League of Nations had been in existence." He continued: "If it averts one war, the League of Nations will have justified itself. If you let one generation pass without the blood of millions being spilt, and without the agony which fills so many homes, the League of Nations will have been justified. I beg no-one to sneer at the League of Nations. Let us try it. I believe it will succeed in stopping something. It may not stop everything. The world has gone from war to war, until at last we have despaired of stopping it. But society with all its organisations has not stopped every crime. What it does is that it makes crime difficult or unsuccessful, and that is what the League of Nations will do. Therefore, I look to it with hope and with confidence."

Regarding the admission of Germany to the League, the right hon. Gentleman said he was not sure, if they introduced Germany before all the questions that remained for settlement had been disposed of, that they would not open up a field of intrigue, mischief, and dissension, and harm would be done. The date when Germany came in depended on herself. She could accelerate it. If she placed obstacles in the way, if she showed that the same old spirit animated her, she would put off that date.

Mandates for the Colonies.

"With regard to the Mandates for the Colonies," Mr. Lloyd George said, "it was decided in the negotiations that the German Colonies should be disposed of, not by way of distributing them among the conquerors, but rather by way of entrusting them to great Powers to be administered in the name and on behalf of humanity, and the conditions under which these Mandates were entrusted to the various countries differed according to the particular territory disposed of. For instance, South-West Africa, running as it does side by side with Cape Colony, we felt to be so much a part geographically of that area that it would be quite impossible to treat it in the same way as you would a colony 2,000 or 3,000 miles away from the centre of administration. There is no doubt at all that South-West Africa will become an integral part of the Federation of South Africa. It will be colonised by people from South Africa. You could not have done anything else. You could not have set Customs barriers and have a different system of administration.

“The same thing applies to New Guinea, part of which is already under the administration of the Australian Commonwealth. You could not have had that part under one system of administration and the next part under another. It is so near the Australian Commonwealth that it was felt that it ought to be treated as if it were part of the Australian Commonwealth. That does not apply to Togoland, the Cameroons or German East Africa, and, therefore, there was a different system of Mandate set up there.

Empire Responsibilities.

“But if hon. Members will look at the conditions of the Mandates they will find that they are the conditions which now apply in respect of British Colonies throughout the world—freedom of conscience and religion; prohibition of the slave trade, the arms traffic and the liquor traffic; the prevention of the establishment of fortifications or of military and naval bases; the prohibition of the military training of the natives for other than police purposes and the defence of territory. We have never raised an army for aggressive purposes in any of these Colonies. Equal opportunities for trade and commerce—we have allowed that in all our Colonies without distinction. So that you find that the conditions of the Mandate described here are the conditions which we ourselves have always applied in respect to British Colonies throughout the world. Under this Mandate the responsibilities of the British Empire have been enormously increased. Something like 800,000 square miles have been added to the gigantic charge already on the shoulders of this Empire, a charge which has undoubtedly been fulfilled in a way that has won the wonder of the whole world.”

In a reference to the Labour Convention, the Premier said it was a matter of very vital importance to the future industrial conditions of the world. It was intended to secure better and more uniform conditions of labour. He hoped that, by means of the machinery set up in the document, it would be possible to establish some permanent means by which they could raise the level of labour throughout the world, without the countries that were treating labour well being handicapped in the neutral markets, where they had to compete with lands in which labour had inferior conditions.

The victory, Mr. Lloyd George continued, had been a tremendous achievement, but no country had had a greater share in that achievement than the British Empire. He wondered how many knew the number of men raised by the British Empire for its Army and Navy in the war—7,700,000 men. The amount raised by loans and revenue for the conduct of the war ran to £9,500,000,000. That was the

biggest contribution of any country. The total casualties of the Empire had been over 3,000,000. Without its Navy, without its great mercantile marine, where would they have been? Without them the war would have collapsed in six months. The right hon. Gentleman concluded a lengthy speech by appealing to the people to unite in repairing the ravages of war. "I beg," he said, "that we do not demobilise the spirit of patriotism in this country. Keep it in the ranks until the country has won through to its real victory."

Views on the League.

The Right Hon. W. Adamson (Chairman of the Parliamentary Labour Party) said Labour had always insisted that Germany must make full reparation for the wanton destruction done in all the Allied countries. The Labour Party, however, did not agree with the exclusion of Germany from membership of the League of Nations after she had ratified the Treaty. They wanted to see the League of Nations become at the earliest day a League of Nations, and not a League of the Allied countries. (The Prime Minister: "Hear, hear.") They regretted very much that the Treaty did not contain the machinery whereby conscription would be abolished in the Allied countries, as well as in Germany, and they did not agree with all the territorial adjustments. Labour also would have liked to see the question of armaments dealt with in the machinery of the terms of peace in the way certain other matters had been dealt with.

The Prime Minister: "It is in the League of Nations."

Mr. Adamson: "But not exactly in the way that Labour would like." The right hon. gentleman expressed the hope that the spirit which had animated the Prime Minister while he was dealing in his speech with the League of Nations was the spirit which would animate the whole of the British people, at least in their efforts to make war an impossibility in the future.

The Right Hon. Sir Edward Carson (Leader of the Ulster Unionist Party) believed that the greatest achievement of the War might turn out to be the League of Nations, which, like every other system of jurisprudence, must grow from infancy.

There was no further debate, and the first reading of the two measures was agreed to without a division.

Second Reading Debate.

The second reading of the Treaty of Peace Bill was taken in the House of Commons on 21st July, when

The Right Hon. Sir Donald Maclean (Leader of the Independent Liberal Party in Parliament), who began the

discussion, said that there were many points of gloom, as well as of brightness, in the Peace Treaty. He fully realised that no monetary or material recompense could ever wash out the inexpiable crimes of Germany. But he felt compelled to make the criticism that, in an attempt to fulfil obligations which were undertaken, there had been imposed on Germany terms which, in their necessary operation, would prevent her from giving that immediate reparation and making that swift payment of some of those indemnities which she ought to be compelled to make at the earliest possible moment. The money must be got, but opportunity must be given for the debtor to pay, and he thought it would have been very much better if the British representatives and their colleagues could have seen their way to fix a definite sum, instead of leaving the whole thing indeterminate, say, for fourteen, fifteen, or perhaps twenty years to come.

He supported the trial of the Kaiser, but dissented from the proposal that it should take place in London, holding that it would be better to try him in some neutral State. "We do not want," said Sir Donald, "to give him any halo, or allow him any chance of encouraging a movement among his own people in revival of their interest in him." Discussing the regrouping of some of the nationalities of Europe, Sir Donald remarked that the whole of the Near East was still politically a seething cauldron, full of the gravest dangers and difficulties. What was the real factor which was going to decide the question there? It was not so much Germany as Russia. If they were going to link themselves up to reaction in regard to Russia, whatever they did in Central Europe, their future outlook must be unsatisfactory.

Labour and the Treaty.

The Rt. Hon. J. R. Clynes (*Labour, Manchester*) remarked that the views of the Labour Party were expressed in a resolution passed at the Southport Conference, which declared:—

"That the Conference is of opinion, now that Germany has decided to sign the Treaty of Peace, thereby opening up the opportunity of co-operation with the democracies of the world, that its speedy admission to the League of Nations, and the immediate revision by the League of Nations of the harsh provisions of the Treaty, which are inconsistent with the statements made on behalf of the Allied Governments when the Armistice was made, are essential both on grounds of honour and of expediency, and it therefore calls upon the Labour movement in conjunction with the International to undertake a rigorous campaign for the winning of popular support to this policy as a first step towards the reconciliation of peoples and the inauguration of a new era."

The Labour Party, he explained, did not speak in those terms out of any feeling of friendliness for the German people or the German Government. What they were afraid of was

that in the moment of victory the Allies had committed some of the blunders of victors of previous wars whose battles were well conducted, but whose peace arrangements only laid the foundation for further struggles. The question they asked themselves was, "Will this Treaty make in any other part of the world any other Alsace-Lorraine for the generations of the future?" They trusted it would not, because they could turn to the League of Nations as the international machinery which in the years ahead would be able to deal with the blemishes of the Treaty. "If self-determination is so good a gospel as to cause us to preach it as we do," said Mr. Clynes, "it should be recognised in the case of considerable portions of German territory and of the German people, just as well as of the people in any other land."

The right hon. gentleman repeated that the Labour Party's attitude was in no way determined by any considerations of tenderness for the German people themselves. Their crime had been so enormous that the penalty naturally must be severe. But the truer statesmanship would be found in making the Treaty acceptable to all affected by it, and thereby preventing the development or growth of that spirit of revolt or revolution which was naturally developed in the case of France, following the German victory in 1870. He had heard it said that they must look upon the League of Nations with suspicion because it had been set up by the victors. It was just for that reason that he thought the League would be all the stronger and all the more welcome to the masses of mankind. Labour believed that the representatives of the German Government ought not to be kept out of the League for purposes merely of vindictive treatment, but that as soon as the German Government was composed enough, and its representatives could act in a responsible manner, the gates of the League should be widely opened to them.

Conscription and Armaments.

The provisions in the Treaty would be viewed with a great deal of suspicion by the masses of the industrial population unless their minds could be made quite composed and clear upon two points—conscription and armaments. Organised labour reluctantly consented to conscription as a matter of the greatest urgency owing to the then existing military situation, but it was accepted with the clear understanding that it would be for the duration of the war only and would not become a permanent part of the military system of this country. As for armaments, the Labour party had reached the conclusion that, no matter to what extent they were required in future, it was essential they should be made alone under the responsibility, control, and ownership of the

Government, and not of any private firm. The Labour view was that with all its defects, with all its blemishes, the Treaty was the work of men who, in the circumstances which surrounded it, must have acted with motives of the highest patriotism and with the noblest considerations for human government.

The Right Hon. G. N. Barnes (Minister without Portfolio) declared that the chapter of Labour which appeared as part of the Peace Treaty opened up a new era as regards the international regulation of labour conditions. It was hoped that now, when, for the first time, Governments had made Labour conditions a matter of international agreement, the opportunity would be seized by Labour with both hands.

Ireland's Position.

Mr. J. Devlin (Irish Nationalist, Belfast, Falls) said that Irish Nationalists thought the war was fought for the liberty of the world and they trusted to find that it would be a war for liberty for Ireland. He knew of no man who had more clearly stated the issues than President Wilson. Were they to understand, he asked, that the following principle laid down by President Wilson was to be applied to Ireland :—

“That the military power of no nation or group of nations shall be suffered to determine the fortunes of peoples over whom they have no right to rule except the right of force?”

Ireland, declared the hon. Gentleman, was being governed to-day by no rule but the rule of force. President Wilson went on to say :—

“Shall peoples be ruled and dominated, even in their own internal affairs, by arbitrary and irresponsible force or by their own will and choice?”

There was no rule in Ireland to-day except rule by arbitrary and irresponsible force, and there was no free will and choice in the determination of the destinies of her people. The question of Ireland had ceased to be a purely domestic problem. The widespread influence of Ireland to-day had assumed such proportions that, if the question was not solved, it would be bad for the world, and if it was solved it would be good for the world. The glory of the problem was that it was a difficult one. Here was a task which the Prime Minister could take upon his shoulders. If the right hon. gentleman found he could not settle it, he would tell him of a simple way in which it could be solved, namely, upon the declaration of President Wilson and others associated with this country in the War, “Let every nation determine their own destinies for themselves.”

Mr. Horatio Bottomley (Independent, Hackney, S.) moved an amendment expressing regret that the Treaty

"does not impose upon Germany definite and binding obligations to make good to Britain her total financial cost of the War." This was seconded by Lieut.-Colonel Claude Lowther (Coalition Unionist, *Lonsdale*).

No Fundamental Criticism.

The Prime Minister remarked that there had been no fundamental criticism of the Treaty, but the House as a whole had accepted it. It was said that they had not secured payment for the cost of the War. The very first clause in the indemnity section was a recognition by Germany of her liability in respect of the whole cost of the War. The total cost of the War for all the Allies would come to an aggregate of, at least, £30,000,000,000. That meant, with a sinking fund, that Germany would have to find £1,800,000,000 a year. He did not believe that even Mr. Bottomley would say that Germany could pay that. They had presented a bill to Germany and had said that Germany must acknowledge the whole of it. But the Allies had come to the conclusion on the advice of the best experts that the category of damages which they had to attach to the Treaty was the limit of the capacity of Germany to pay. As regarded conscription, if they abolished it immediately, demobilised their armies, and sent their troops away from the Rhine, did the House think they would have the Treaty of Versailles, or any other Treaty? Therefore it was necessary until they had established the peace to maintain a bigger force than the normal which the Government hoped to attain. The same remark applied to armaments.

After further debate, the amendment was negatived, and the Bill was subsequently passed through its remaining stages.

The Anglo-French Treaty Bill was also passed during the same sitting.

DEBATE IN HOUSE OF LORDS.

A survey of the Peace Treaty was given in the House of Lords on the same date—3rd July—in the presence of a large assembly of Peers, including H.R.H. the Prince of Wales, who occupied a seat on the cross benches.

The Lord President of the Council (Earl Curzon of Kedleston) said that in contemplating the issue of the war with Germany it was impossible not to be struck with its dramatic character. The end satisfied all the canons of Greek tragedy. If there had been no war in history which had been waged at so bloody a cost, there was none that had such tremendous consequences, or which ought to be so pregnant in results. It

might further be observed that the victory the Allies had won was the downfall not only of an army, of a dynasty, of a nation, but the defeat of the moral and intellectual attitude typified by the Prussian character, which was not compatible with the good government and ordered progress of the world. After discussing the terms of the Treaty, remarking that, severe as they were, they were not harsh, the noble earl said that Great Britain had gained more than she set out to win.

“ Our Navy remains intact,” he proceeded. “ The principle of the freedom of the seas, the basis of our national existence, remains unimpaired and unimpugned ; the British Protectorate of Egypt is provided for. As for territorial gains, we sought none. I do not believe there is a single soldier who fought for additions to the British Empire. But new responsibilities are being and will be thrust upon us, and though we did not seek them we cannot refuse them. I regard this great increase in our responsibilities with no great elation and with some alarm, though I do not doubt our national spirit will be equal to the task. The war has shown that it will be so. There is no suspicion of the nation being decadent, but I often ask myself the question, Have we the men ? I see in these terms and in these additions to our responsibilities not so much cause for national rejoicing as a call for personal service, a demand for patriotic duty. The men who have died in the war sprang to answer the trumpet call of danger, and we want to be certain that the next generation, with those who survive, will be equally ready to answer the trumpet call of duty.”

Tribute to the Premier.

The noble earl paid a glowing tribute to the work of Mr. Lloyd George in Paris. “ It is open to me to say from really accurate knowledge of what was passing in Paris,” he observed, “ that the Prime Minister by a combination of courage and imagination, and by the exercise of his quite unusual power of conciliation, has held the balance between conflicting parties, and has largely been responsible for the contents of the Treaty. We must include in our thanks Mr. Balfour, Mr. Barnes, Lord Sumner, and Lord Cunliffe*.”

The Marquis of Crewe remarked that the Covenant of the League of Nations had given opportunity for the comments of a narrow cynicism, but unless, through the adoption of some such plan, we could advance to a higher level and into a clearer air, then we, of all generations, were the most miserable.

* Lord Cunliffe, who was an ex-Governor of the Bank of England, died on 5th January, 1920.

It might be that the peace was not all that some of them hoped for, but its conclusion gave them courage to set themselves to the new tasks of peace, to the establishment at home of contentment and such measure of national prosperity as the war had made possible, and to the development on wise and free lines of the British Empire, which was the greatest engine of civilisation that the world had ever known.

The Archbishop of Canterbury said the League of Nations, which was once spoken of as an empty phrase, was now a deliberate, well-weighed, and carefully drawn plan, placed in the forefront of the Treaty, and embodying a Christian principle. We had a right to expect a better result from the effort now being made than any result which could have been expected from far-reaching and ambitious treaties of another kind. But, in the words of General Smuts, the League was but a form which would require the quickening life that could only come from the active interest and vitalising influence of the people themselves.

Viscount Bryce hoped that the Government would exert themselves to see that every possible consideration was given to the claims of the different nationalities, and, above all, that the rights of the small peoples were respected.

The debate closed without the adoption of any formal motion.

Passage of the Bills.

On 24th July, the Lords passed the Second Reading and all other stages of both Bills.

On the second reading of the Treaty of Peace Bill,

Viscount Bryce said that while there were many things to rejoice over in the Treaty, there were some things to regret, as, for instance, the case of Shantung, and the trial of the Kaiser. He urged that every attempt should be made to avoid leaving questions unsettled, and suggested two methods by which difficulties might be met. One was, where there were difficult disputes with regard to frontiers and the rights of nationalities, to appoint an impartial commission to make where necessary investigations on the spot and to report to the Conference. The other suggestion was that wherever possible there should be taken a popular vote or plebiscite of the population concerned in order to ascertain their wishes. It was not only important to avoid creating fresh grievances, but it was very important to give the world, and especially the populations concerned, the feeling that justice had been done.

Lord Buckmaster expressed gratitude to Lord Robert Cecil for the work he had done in Paris in connection with

the League of Nations. Though the League was in many respects imperfect, yet in its development and future work lay the only hope of rest and repose for this tormented world. With regard to the trial of the Kaiser, the noble lord gave reasons why in his view the Government ought not to pursue the project any further. He would be glad to know what evidence there was before the Government to lead them to believe that such an inquiry would come to the only conclusion that would be regarded as successful—the condemnation of the man who was tried. Let there be no mistake—if this trial were to end in an acquittal, though justice might be satisfied, the offence caused to the people of this country would be something beyond belief. To ask an English judge to sit and administer a law he did not know, by a procedure that was not defined, in a court where he had no control, and to inflict a punishment which was anticipated by everybody as the result of his labours, was to ask him to do a work which he was unfitted to discharge.

Boundary Commissions.

The Lord President of the Council, replying, said that one of the sequels to the proceedings in Paris would be the institution of boundary commissions on a large scale to go to disputed areas for the purpose of investigating and arriving at a proper solution. As to the recommendation that there should be a plebiscite to determine the views of the inhabitants of the areas affected, the noble earl remarked that in Eastern countries that method, so far from being a means of solution, might in all probability provide the opportunity for a row. Regarding the trial of the Kaiser, he pointed out that neither Lord Bryce nor Lord Buckmaster had disputed the heinousness and the abominable nature of the crimes of which the German nation and their Sovereign, as their representative, had been guilty, although both had gone on to impugn the policy of the trial.

“I confess,” he proceeded, “that the German Emperor does not appear to me to be in exile a figure at all comparable with those famous condemned sovereigns or exiles of the past. After all, there was something picturesque and graceful in Charles I. which has always enshrined him in the rather affectionate memory of a large section of his countrymen. There was something grand and almost heroic in the intellectual scope and imagination of Napoleon. These are the two cases which are commonly quoted as justifying the belief that if you treat an individual with severity you not only make him a martyr, but you create a legend. I do not see in the German Emperor the stuff out of which a legendary hero could be made. The man who was not only guilty of the atrocities of the war, but

ignominiously ran away from the consequences as soon as he was in a difficult place, is a man you cannot imagine as a hero or treat as a martyr. I differ from Lord Buckmaster when he said that the idea of a trial of the German Emperor was first heard of at the General Election. It was manifest before the election that the matter was under discussion between the Powers. I, myself, was deputed to discuss it with representatives of our Allies in Paris, and although it had a prominent place on the electoral platform a decision had been arrived at long before, not only in this country, but in France and elsewhere."

Power of Revision.

The noble earl remarked in conclusion that one of the strongest points of the Treaty was that, whereas other Treaties had been regarded as sacrosanct and impossible to revise, special provisions were made in this Treaty by which the League of Nations would have the opportunity from time to time not merely of administering and interpreting it, but of reviewing, and, if necessary, altering its provisions.

The second reading was then agreed to and the Bill was passed through its remaining stages.

Moving the second reading of the Anglo-French Treaty Bill,

The Lord President of the Council said that in the future the League of Nations would be protection against unprovoked aggression by Germany, but for the moment the League was not finally and permanently settled, and this Bill afforded protection in the meantime. He expressed his pleasure and surprise at the unanimity with which this undertaking had been accepted by every section of public opinion.

The Bill was afterwards passed through all stages without delay.

GOVERNMENT OF INDIA ACT.

The Royal Assent was given on 23rd December to the Government of India Act, which has been officially described as "the first stage in a measured progress towards responsible government." The preamble recites that :—

It is the declared policy of Parliament to provide for the increasing association of Indians in every branch of Indian administration, and for the gradual development of self-governing institutions, with a view to the progressive realisation of responsible government in British India as an integral part of the Empire.

It is further declared in the preamble that :—

Concurrently with the gradual development of self-governing institutions in the Provinces of India it is expedient to give to those Provinces in provincial matters the largest measure of independence of the Government of India, which is compatible with the due discharge by the latter of its own responsibilities.

Local Governments.

It is in the provinces that the chief constitutional changes are made in the first instance. Part I. of the Act relates to :—

(1) Division of functions between the provinces and the Government of India, and relations between the central and provincial Governments.

(2) Constitution of new form of executive government in the provinces, and division of functions between the two parts of the new provincial Governments.

(3) Constitution and powers of provincial Legislatures.

The Act provides for the making of rules for the following purposes :—

The classification of subjects, in relation to the functions of government, as central and provincial subjects.

The devolution of authority in respect of provincial subjects to local Governments and the allocation of revenues or other moneys to those Governments.

The use, under the authority of the Governor-General in Council, of the agency of local Governments in relation to central subjects.

The transfer from among the provincial subjects of subjects (termed “ transferred subjects ”) to the administration of the Governor acting with Ministers.

Rules may also be made fixing the contributions payable by local Governments to the Governor-General in Council, and making such contributions a first charge on allocated revenues or moneys ; for constituting a finance department in any province ; and for specifying the purposes in relation to “ transferred subjects ” for which the Governor-General in Council shall exercise the general powers of control over the administration of provincial subjects vested in him. A classification of central subjects and provincial subjects is to be made under the rules.

Provinces Affected.

The new form of provincial government is to apply to the following provinces : Bengal, Madras, Bombay, Bihar and Orissa, the United Provinces, the Punjab, the Central Provinces, and Assam. Each of these provinces is to be governed in relation to reserved subjects, by a Governor-in-Council, and, in relation to transferred subjects, by the Governor acting with Ministers appointed under the Act. It is laid down that one of the members of the executive council of the Governor of a province must have been for at least twelve years in the service of the Crown in India.

Provision is made for the constitution of a Legislative Council in every Governor's province, the number of members varying from 125 in the case of Bengal to 53 in the case of Assam. These Councils are to continue for three years, but may be sooner dissolved by the Governor.

The Local Legislature is, subject to the requirements of the Governor-General's previous sanction in the case of certain classes of provincial

Bills, empowered to make laws for the peace and good government of the territories in the province.

Where a Governor's Legislative Council has refused leave to introduce, or has failed to pass in a form recommended by the Governor, a Bill relating to a reserved subject, the Governor is empowered to certify that its passage is essential for the discharge of his responsibility for the subject. Thereupon the Bill will be deemed to have passed and will, on signature by the Governor, become an Act of the Local Legislature. An Act so made must, as soon as practicable, be laid before each House of Parliament.

Central Government.

Part II. of the Act relates to the Central Government. It enacts that the Indian Legislature shall consist of the Governor-General and two Chambers—the Council of State and the Legislative Assembly. The Council of State is to consist of 60 members, of whom not more than 20 are to be official members, and the Legislative Assembly of 140 members. The constitution of the Assembly is to be 100 elected and 40 non-elected members, the latter including 26 official members.

The Governor-General is empowered to certify that the passage of a Bill is essential for the safety, tranquillity, or interests of British India, and in that case the Bill shall, notwithstanding that it has not been consented to by both Chambers, forthwith become an Act of the Indian Legislature.

Other parts of the Act relate to the powers of the Secretary of State in Council, the constitution of his Council, the Civil Services in India, and the appointment at the expiration of ten years from the date of the passing of the Act of a Statutory Commission to inquire into the working of the system of government, the growth of education, and the development of representative institutions in British India.

It is provided that, in order to give effect to the provisions of the Act, the Secretary of State in Council may by rule regulate and restrict the exercise of the powers of superintendence, directions, and control vested in him by the principal Act, viz., the Government of India Act, 1915, as amended in 1916. Any proposed rules for that purpose relating to subjects other than transferred subjects must be laid in draft before both Houses of Parliament and be approved by resolution, either with or without modifications or additions. Rules relating to transferred subjects are also to be laid before both Houses and, if an Address is presented within thirty days, His Majesty in Council may annul any rule.

Committee's Recommendations.

The course adopted by H.M. Government in relation to the Bill was to refer it to a Joint Select Committee of both Houses of Parliament, who, after hearing the evidence of a large number of witnesses, including many from India, returned the measure with amendments to the House of Commons. The Earl of Selborne, as Chairman of the Committee, expressed the opinion that the plan proposed by the Bill interpreted the Government's pronouncement of 20th August, 1917, with scrupulous accuracy.

DEBATE IN HOUSE OF COMMONS.

On the third reading of the Bill in the House of Commons on 5th December,

The Right Hon. W. Adamson (Chairman of the Parliamentary Labour Party) said the Labour Party admitted that the measure was a definite move in the right direction. The principal criticism they had to offer was that the Bill did not go far enough, because while it gave the people of India a measure of control in their various provinces, they had no real control in the Central Government. The Labour Party also regretted that the Bill provided for such a limited franchise. There might be practical difficulties in the way of a full enfranchisement of the people of India, but it was absurd that only 5,000,000 out of a total population of 250,000,000 were enfranchised.

The Right Hon. Sir Donald Maclean (Leader of the Independent Liberal Party in Parliament) expressed the belief that the true leaders of opinion in India would at no distant date be qualified to take on their own shoulders the broad principles of self-government, and apply them throughout that great Dominion. The step which was being taken was a long step forward, but he would not have regretted it had they in some respects gone further. In the course of a few years they would find that the experiment had so fully justified itself that a further step forward would have to be taken. To those who were afraid of the future of India he would say that if they wished to retain India within the circle of the British Dominions they must not be afraid of development and change.

End of the Old Era.

The Secretary of State for India (the Right Hon. E. S. Montagu) said that three and a half years had passed since the first inception of the Bill. He had been associated with the Government of India for six years and had always kept before himself the ambition to have the privilege of commending to Parliament what he believed to be the only justification of Empire—a step of self-government for India. If the Bill were accepted both in its principles and in what it was intended to be—a transitional stage on the road to self-government—a great responsibility rested on the Parliament of the future. They must expect political life to develop. He continued: “Do not deny to India self-government because she cannot take her proper share in her own defence, and then deny to her people the opportunity of learning to defend themselves.” These were all problems the responsibility for which Parliament took upon itself by the passage of the Bill.

He thought the passage of the Bill entailed the end of the old era. Let them forget the sores of the past. Let them cease to abuse old sections, old castes, old races of the Indian people; and on the other hand, was it too much to ask that the representatives of the Indian people should cease to abuse the Indian Civil Service? He welcomed the appearance of the Labour party in an organised capacity in connection with the discussion. He could only hope that some of his Labour friends would take an early opportunity of visiting India, so as to get a real conception of what industrial labour was in India to-day. He begged those who had made themselves particularly the spokesmen for Labour on this question to help in shaping the new era which he ventured to predict.

The third reading of the Bill, without a division, was greeted by the House with cheers.

DEBATE IN HOUSE OF LORDS.

There was a lengthy debate on the Bill in the House of Lords on 11th and 12th December.

The Under-Secretary of State for India (Lord Sinha), moving the second reading, said he felt convinced that the great experiment which the Bill would inaugurate was likely to prove successful and beneficial, not only to India, but to the Empire. It was wisely framed to place the feet of India on a level road leading to the goal of self-government within the Empire, and to a real partnership in that great Empire to which India was bound by unswerving allegiance and enthusiastic homage to their august Sovereign. The Bill was the natural and inevitable sequel to the long chapter of previous legislation for the better government of India. It was no longer possible to doubt the rapidly-growing sense of Indian nationality, any more than it was possible for India to stand aside unchanged in the turmoil of development, growth, and reconstruction which had been shaking the world for the last five years.

System of Devolution.

India was not yet fully equipped for complete self-government, and it was only experience in actual responsibility that would make her fit for it. But India was ready and fit to embark with every hope of success on the experiment which the Bill proposed. The measure would not, and was not intended to, set up a permanent constitution in India. It

provided for a period of transition, and while that period lasted they must provide a bridge by which India would pass from bureaucratic government to a form of government whereby she would control her own destinies. The scheme had been given the somewhat terrific name of "diarchy," but he preferred to call it a system of specific devolution. It would be foolish to attempt to disguise the fact that this principle was regarded with misgivings by many persons who were in full accord with the general policy the Bill sought to carry out. In his opinion there was really no ground for such misgivings. Referring to the proposed procedure by way of rules, Lord Sinha contended that the control of Parliament was fully secured, and the criticism that it was dangerous and inexpedient to leave so much to be done in that way was neither just nor fair.

Lord Carmichael, who reminded the House that it was not so very long ago that he was the Governor of a Presidency in India, said he did not love the idea of diarchy any more than the majority of their Lordships, but he realised that no alternative had been presented. Personally, however, he did not much mind what form the Bill took as long as something was done and it led to a better state of affairs in India. They were going to take a step which people in European countries would look upon with surprise, and the whole world would be looking to India to see what the result was.

Dual System Necessary.

The Marquis of Crewe, speaking as a former Secretary of State for India, supported the Bill. He remarked that it was only through the dual system of government that the requisite training could be acquired by Indian politicians which would enable them to come in a fuller sense to self-government. It might be that those who favoured the unitary system were convinced that a completely responsible form of government in India must be relegated to the Greek Kalends. Although some of them might not feel much sympathy with that view, it was equally necessary to guard against the too sanguine hopes of ardent Indian politicians, who believed that full responsible government was a matter of a very few years. While believing in a steady advance in that direction, he believed also that it might be generations before India possessed a form of government precisely analogous to that of Australia or New Zealand. In the meantime, he hoped that the system set up by this measure would have a fair chance for a definite period of years, and that no attempt would be made in India to agitate for special changes during the first few years.

Lord Sydenham stated that in his opinion this was the most dangerous and possibly the most complicated Bill ever

presented to the House. The persons who had organised the agitation that had led to the introduction of the measure were, he believed, very small in number as compared with the millions of people in British India. Many of the disorders of recent years had been due to a widespread propaganda of an anti-British character. The main constructive proposal under the Bill was the establishment of a system of dual government which would not be tolerated in any civilised country in the world. It could not work well, and they were forcing it upon India at a most critical time. The Bill supplied no substitute for the authority which it destroyed, and in a few years it would undo many of the finest achievements of the British people.

The Viceroy's Council.

The Earl of Selborne said the Joint Select Committee, over which he presided, had no responsibility for the Bill, or for the policy on which it was based. If he had been responsible, he would not have touched the Government of India at all, while making this great experiment in the provincial governments, except to this extent, that he thought it very wise to introduce Indian Statesmen into the Government of India. There could be no possible danger in this wide extension of a number of Indians on the Viceroy's Council, because those gentlemen were chosen by the Viceroy on his own judgment. He held in the strongest possible way that the Viceroy and Secretary of State for India were absolutely right in advocating the system of diarchy, and the Lieutenant-Governors of the Provinces who advocated the unity system were absolutely wrong.

Lord MacDonnell said he considered the creation of Second Chambers in India was most essential. He knew of no country in the East in which a Second Chamber was more essential, as the wealthy landowners and scions of old families would never contest seats with their inferiors in the polling booths. He suggested that the diarchic system should be postponed, and that as the first step in the reform they should adopt the unified system, which seemed to him essential in the present circumstances. He was oppressed with the feeling that the matter was being pushed too hastily.

Importance of Governors.

Viscount Midleton, a former Secretary of State for India, believed that the success of the experiment would depend very much upon the class of man selected as Governor. It would be well, he thought, that such a man should have had some Parliamentary experience.

Lord Meston observed that there could be no greater

mistake, no more serious misreading of the recent history of India, than to imagine that the new Constitution had been wrung from a reluctant Government by noise, demonstration, and agitation. The Government of India was not being dragged at the tail of a revolutionary movement by a negligible group of professional agitators. This Bill might be full of dangers, but a far greater danger than any in the Bill was the danger of doing nothing, and so ignoring the reasonable and natural demands of the Indian people for a larger share in the management of their own affairs. They would find the remedy for the present unsettlement in India in giving India a vision, and whole-hearted support in the realisation of that vision.

The Secretary of State for Foreign Affairs* (Earl Curzon of Kedleston) commented upon the patriotic desire which had been displayed in connection with the Bill—by far the most important measure for the Government of India introduced for more than one hundred years—to do the right thing in this country and in India. “The real merit for the success of the Bill in its final form,” said his Lordship, “is in the main due to the labours of the Joint Select Committee. They have produced an incomparably better scheme than the old one. In leaving duality in the scheme the Committee have robbed it of its greatest difficulties. They have placed responsibility on the right shoulders, and they have provided for close co-operation between the two sections of the Provincial Government. I think they have very wisely refrained from touching the female franchise. The woman question cuts more deeply into the roots of social life, traditions, customs, and prejudices, if you like, of India than it does here, and I think the Committee have done right to leave this matter to be dealt with in the future by India herself.”

Proceeding, the noble earl commented on the fact that for the first time a representative and responsible British Committee had conceded to India almost absolute freedom of fiscal policy. “They have,” he remarked, “laid down the proposition and principle that India ought to be able to exercise, in respect of her tariffs and so on, the same degree of liberty as is enjoyed by the great Dominions of the Crown. That is a change so fundamental and with such stupendous consequences that I am amazed at the little attention it has caused in this country. It is the starting-point of a future career in the growth of self-governing institutions in India

* Earl Curzon of Kedleston was appointed Secretary of State for Foreign Affairs in place of Mr. A. J. Balfour on 24th October, 1919, Mr. Balfour taking Lord Curzon's position as Lord President of the Council.

the importance of which cannot be exaggerated. Do not let your lordships lose sight of the fact that among the changes created in this Bill, and among the powers handed to India, this particular one is in many respects the most important of all."

Indian Civil Service.

Speaking of the creation of a Standing Committee on India of both Houses of Parliament, Earl Curzon described it as one of the best changes introduced in the Bill. Turning to the Indian Civil Service he said, "We are told that some of the Indian Civil Servants regard this measure with grave misgiving; and that they are likely to sever their connection with India. It is very true that there are grave dangers, for the reason that the real secret of success in India is good administration, which means a contented people. I cannot exaggerate the extent to which the happiness of the people depends on the character, disinterestedness, and ability of the administrator. I am sure the life of the Indian Civil Servant will be less attractive in the near future. It has been so in my recollection in the last fifteen or twenty years. But I respectfully join in the appeal made to that service to stay and carry on their work. In the transition period that lies before us that work will be more than ever required. We want Indian Civil Servants there to imbue with the new ideas those who, under the new system, are going to be the leaders of the future. I cannot believe that the Indians in India will have any desire to kick down the ladder by which they themselves will have risen. Rather do I think that in these initial stages they will be inclined to show their deference to those to whose teaching they owe so much."

In conclusion Earl Curzon remarked that this was a great and daring experiment. One noble lord had raised the question, "Will India be better governed than in the past?" He did not think it would. He thought the standards would tend to fall. But under the modern idea of nationalism and self-determination peoples attached much more importance to being governed by themselves than to being governed by others, even if they did not govern themselves so well. "I hope," he added, "that Parliament will watch the future that lies before this Bill with an unceasing interest and will do everything in its power to facilitate the greatest and boldest experiment that has ever been made in the history of the British Empire."

The Bill was then read a second time and at subsequent sittings was passed through its other stages with little further debate.

GOVERNMENT OF IRELAND SCHEME.

In the House of Commons on 22nd December, the Prime Minister made a lengthy statement outlining the Cabinet's scheme to provide self-government for Ireland. The right hon. Gentleman's speech was delivered on a formal motion for the adjournment of the House.

The Prime Minister (The Right Hon. D. Lloyd George) began with a reference to the attempt on the life of Lord French, and said he was glad that the chiefs of the Catholic Church in Ireland had lost no time in denouncing that outrage in unmeasured language. Proceeding, he explained that no section in Ireland wanted the Home Rule Act of 1914, which, unless it was postponed, repealed, or altered, automatically came into operation the moment the war ceased. That Act was unworkable without fundamental alteration and, also, when it was placed on the Statute Book, its promoter (Mr. Asquith) gave an undertaking that it should not be brought into operation until an Act of Parliament had been carried dealing with the peculiar position of Ulster.

Basic Facts.

"There are," Mr. Lloyd George continued, "two basic facts which lie at the foundation of any structure which you have to build up in Ireland:—

"(1) Three-quarters of the population of Ireland are not merely governed without their consent, but they manifest bitter hostility to the Government.

"(2) You have a considerable section of the people of Ireland who are just as opposed to Irish rule as the majority of Irishmen are to British rule.

"In the North-East of Ireland we have a homogeneous population, alien in race, sympathy, religion, tradition and outlook from the rest of the population of Ireland. It would be an outrage on the principle of self-government to place them under the rule of the remainder of the population. If that were done you would inevitably alienate in the North-East of Ireland the best elements from the machinery of law and order."

Any arrangement by which Ireland was severed from the United Kingdom, either nominally or in substance and in fact, said Mr. Lloyd George, would be fatal to the interests of both. He thought it was right to say, in face of demands which had been put forward from Ireland, with apparent authority, that any attempt at secession would be fought with the same determination, with the same resources, with the same resolve as the Northern States of America put into the

fight against the Southern States. It was important this should be known not merely throughout the world, but in Ireland itself.

Grant of Self-Government.

Subject to those conditions, they proposed that self-government should be conferred upon the whole of Ireland, and their plan was based on the recognition of the fundamental facts he had mentioned:—

(1) The impossibility of severing Ireland from the United Kingdom.

(2) The opposition of Nationalist Ireland to British rule in Ireland.

(3) The opposition of the population of North-East Ulster to Irish rule.

Coming to the actual proposals of the Government, the right hon. Gentleman said that two Legislatures were to be set up in Ireland—the Parliament of Southern Ireland and the Parliament of Northern Ireland. With regard to boundaries, the three Southern Provinces would form one unit of self-government. In the case of the other unit they would ascertain what the homogeneous North-Eastern section was and constitute it into a separate area, taking the six counties as a basis, and eliminating where practicable the Catholic communities, whilst including Protestant communities from the co-terminous Catholic counties of Ireland.

Council of Ireland.

It was proposed that every opportunity should be given to Irishmen, if they desired it, to establish unity, but the decision must rest with them. The Government had two proposals in mind in order to attain that object, and the right hon. Gentleman spoke of them as follows:—

“The first is that there shall be constituted from the outset a Council of Ireland, consisting of twenty representatives elected by each of the two Irish Legislatures. This Council will be given the powers of private Bill legislation from the outset, but otherwise we propose to leave to the two Irish Legislatures complete discretion to confer upon it any powers they choose within the range of their own authority. The Council, therefore, will not only serve as an invaluable link between the two parts of Ireland—an Assembly in which the leaders of the North and of the South may come together and discuss the affairs of their common country—but it con-

stitutes the obvious agency from which the two Parliaments can, without the surrender of their own independence, secure that certain common services which it is highly undesirable to divide, can be administered jointly as a single Irish service.

“The second proposal is to clothe the Irish Legislatures with full constituent powers, so that they will be able, without further reference to the Imperial Parliament, and by identical legislation, to create a single Irish Legislature discharging all or any of the powers not specifically reserved to the Imperial Parliament. It will then rest with the Irish people themselves to determine whether they want union and when they want union. The British Parliament will have no further say in the matter. If the Irish electorate so determine they can return a majority in each province of Ireland with a mandate, even at the very first election, to bring about a union of the North and the South. The Government propose that certain additional taxing powers should be handed over to an Irish Parliament as soon as Irish union is accomplished.”

Powers of the Legislatures.

With regard to Irish representation in the Imperial Parliament, the Government proposed, the right hon. Gentleman explained, to adhere to the scheme of 1914—that was, a reduction of the numbers to 42 members for all purposes. With respect to the powers of the two Legislatures, it was proposed to proceed on the basis of the principle of the Act of 1914—that was, of reserving powers to the Imperial Parliament and leaving the residue of the powers to the two Legislatures. The Federal or Imperial powers which should be reserved to the Imperial Parliament would include the Crown, peace and war, foreign affairs, the Army and the Navy, defence, treason, trade outside Ireland, navigation (including merchant shipping), wireless and cables. It was proposed to transfer the Post Office to the Irish Parliament only when there was complete agreement between North and South on the subject. Meanwhile the Post Office would be reserved to the Imperial Parliament.

There would be also reserved coinage, trade marks, lighthouses, and the higher judiciary until there was an agreement between the two Parliaments or the National Council as to the appointments. The powers of the two Irish Parliaments would be very considerable. There would be full control over education, local government, land policy, agriculture, roads and bridges, transportation (including railways and canals), old age pensions, insurance, municipal affairs, housing, local judiciary, hospitals, licensing, and all machinery for the maintenance of law and order, with the exception of the higher judiciary and the Army and Navy.

Police and Finance.

Labour legislation also would be dealt with by the local Legislatures, and it was proposed not to retain the control of the Police in Imperial hands beyond three years. A method of dealing with finance was suggested that would give the Irish Government the whole advantage of the duties and taxes raised in Ireland in excess of a fair contribution to the Imperial service. It was proposed to take the present yield of the existing taxes as the basis, and for a short period—say, two years—to assume that a fair contribution was the amount contributed after the deduction of local services in the year 1919–20. The total expenditure for purely Irish services was £23,500,000, and if that were deducted from the total revenue of £41,500,000, it would leave a contribution of £18,000,000 per annum towards Imperial expenditure. Before the end of the two years' period a joint Exchequer Board would settle the fair contribution for the future, having regard to the relative taxable capacities of North and South Ireland and the United Kingdom. That sum would hold for five years and then it would be open to revision.

It was proposed that there should be a grant to each of the Irish Governments of a single sum of £1,000,000 to cover the initial expenditure of setting up the machinery of Government in the two areas. Further, it was proposed to hand the land annuities in Ireland—amounting at present to £3,000,000 per annum—to the Irish Governments as a free gift for the purposes of developments and improvements in Ireland. It was proposed that each Irish Parliament should have taxing powers which, broadly speaking, would be equivalent to those of State Legislatures in the United States of America. The revenue contributed and collected by the Irish Legislatures under the scheme would consist of the Land Annuities, Death Duties, Stamps, Entertainment Taxes, Licensing Fees, and any new taxes that ingenuity could devise, subject to restrictions as to Income Tax, Customs, and Excise. Those resources together, on the 1919–20 basis, and including the annuities, amounted to £6,250,000 per annum.

An Appeal.

“I will appeal not merely to the House of Commons, but I will appeal to Irishmen and to all who are concerned in this problem to give these proposals fair consideration,” said Mr. Lloyd George. “There are many who will say, and with some appearance of reason and sense, ‘Is this the time to propose anything?’ My answer is that there never has been and never will be a perfectly acceptable time. There is a path of fatality which pursues the relations between

the two countries and makes them eternally at cross purposes. But it is always the right time to do the right thing, and Britain can afford now more than ever, and better than ever, to take the initiative."

The Right Hon. Sir Donald Maclean (Leader of the Independent Liberal Party in Parliament) welcomed the fact that there was throughout the Prime Minister's speech an entire absence of any proposal for the further coercion of Ireland, but expressed the view that the scheme of the Government did not go anywhere near far enough. In the whole history of the commonwealth of nations called the British Empire, how had they solved in the past the difficulties in Canada, New Zealand, Australia, and South Africa? It was by the great, broad, open-handed meeting of difficulties. That that was the only way the whole history of the development of the British nation demonstrated beyond doubt, and as far as Ireland was concerned, it was the only way they had never tried.

Ulster Unionist View.

The Right Hon. Sir Edward Carson (Leader of the Ulster Unionist Party) said it was a great pity that those who called themselves constitutional Nationalists would not do the House the honour of being there to hear a scheme propounded for the future government of their own country—a scheme which was, at all events, an effort to face the real facts, and also, he thought, an effort to do justice to those facts. He had spent the whole of his public life in fighting that question. That night, notwithstanding all that had happened—rather because of all that had happened—he stood there as firmly convinced as ever that for Ireland, for the United Kingdom, and for the Empire, a united Parliament was still the best solution. He felt certain that they made a great mistake in the face of foreign nations when they proceeded upon a kind of basis as if Ireland had no political unity or freedom.

Ireland was not now in a subordinate position. She was in an equal position, or rather a superior position, because every Irishman had two votes for the one vote that an Englishman or Scotchman had. The real reason why the Act of Union had not yet succeeded, at all events in the recent years in which he had taken part in political life, was because Irishmen themselves, out of hatred of Great Britain for historical reasons mainly connected with religion, had refused to take part in the government of their own country under the Imperial Parliament. For the last thirty years, or certainly twenty-five, there had not been a single Government which would not most willingly have entrusted to men, say, like the late Mr. Redmond and some of his colleagues, the

most important positions in the Irish Executive if they had been willing to accept them.

No Confidence in Securities.

“I would not be talking honestly,” said Sir Edward, “if I did not say I do not believe the passing of the Bill will be for the good of Ireland, or that Ireland will progress better under the Bill than she would if you continued the same relations as you have at present. Also, as a Southern Irishman, I look with the greatest apprehension on what will happen to the large body of loyal Unionists in the South and West, whose fate you are proposing to hand over to the Parliament in Dublin. The Prime Minister said there would be ample securities for minorities. I have no confidence in those securities.” Sir Edward proceeded to say that he absolutely declined to pronounce upon the scheme that night. So far as he was concerned—and he spoke for those who acted with him in the House of Commons—he was not going over to Ireland until he saw the Bill in print and until he was assured by the Prime Minister that he meant to go through with it to the end. Nothing could be more damaging than that any of them should set about to try to bring the Bill, or something of the kind, into favour with those with whom they acted, and then that the Bill should be abandoned.

That was the first Bill that had made the admission of Ulster's right to be treated as a separate entity. He believed that to be a great advance towards settlement. But Ulster had never asked for a separate Parliament. Ulster had always desired to remain a part of the United Kingdom, and he appealed to the Government, as the Bill was not yet brought in, to keep Ulster in that united Parliament. He could not understand why Ulster should be asked to take a Parliament which she had never demanded, and did not want. He suggested that the Prime Minister should leave over the question of a separate Parliament for Ulster until the whole devolution problem came to be considered.* At the same time, he agreed that it was a possible step towards dealing with the Irish question that the Government had treated North-East Ulster as a separate unit, and as they had done so, he was not going to turn down their proposals. When he got the Bill, and the assurance to which he had referred, he would take counsel with the people of Ulster. Upon their understanding of the question he would himself be greatly guided in the course he would take on the Bill.

* Mr. Speaker is the Chairman of a Parliamentary Commission which is considering the question of Federal Devolution for the United Kingdom.

The Right Hon. Arthur Henderson (*Labour, Widnes*) said the Labour Party had resolved to send a deputation to Ireland, who would endeavour to ascertain the views of Irishmen in both the North and the South.

The motion for the adjournment of the House lapsed without any question being put.

NATIONAL FINANCE.

DEBATE IN HOUSE OF COMMONS.

A full debate on the financial situation of the country took place in the House of Commons on 29th and 30th October. It was opened by the Chancellor of the Exchequer, who moved a resolution pledging the hearty support of the House to the Government "in all reasonable proposals, however drastic, for the reduction of expenditure and the diminution of debt."

The Chancellor of the Exchequer (*the Right Hon. Austen Chamberlain*) said the position was grave, but there was no reason for panic. The tax revenue was coming in extraordinarily well; the deficit of the current year, though large, was less than he expected when he addressed the House in August; the reductions which could be secured were taking earlier and greater effect than he then thought possible; and less of the deficit was due to increase of expenditure and more of it to the deferment of Appropriations-in-Aid than he had anticipated. "In August," said Mr. Chamberlain, "I warned the House that according to the position as it then presented itself it was unlikely that we should be able to balance income and outgoings next year without new taxation. I now no longer think that new taxation will be required for that purpose."

Budget Deficit Increased.

The Chancellor explained that the increase of the Budget deficit by £223,500,000 to a total of £473,500,000 was largely due to the deferment of receipts. The actual increase of expenditure over the Budget estimate was £133,000,000. Amongst the contributory items he mentioned:—

War pensions, war bonuses, extra police grants and expenses due to the railway strike ..	£44,000,000
Loans to Allies	£32,000,000
Increased pay to Army, Navy and Air Forces ..	£21,500,000

Having referred to the abnormal conditions which had prevailed since the signing of the Armistice, and the financial

strain imposed by the delay in the settlement of peace with Turkey, Mr. Chamberlain described the steps taken to enforce reduction of expenditure. These included the reorganisation of the Treasury under a permanent head (Sir Warren Fisher, Chairman of the Board of Inland Revenue) and the appointment of three Controllers : (1) Establishments ; (2) Finance ; (3) Administrative Services. Further departures were the summoning of periodical meetings of the finance officers of other Departments with the Financial Secretary to the Treasury, and the formation of a Financial Committee of the Cabinet. On the question of the reduction of Government staffs, Mr. Chamberlain declared that if they closed every new department and brought back every old department to its pre-war level the saving would not be more than £22,000,000.

Disarmament.

After outlining the reductions which are taking place in the strength of the Royal Navy and the Army, the Chancellor said : "The House will see that we are leading the way in disarmament among the nations of the world." Turning to the debt he pointed out that provision was made in the Estimates for a half per cent. Sinking Fund, a sum which, if it were continued, would be sufficient to redeem the Debt in a little over 50 years. Mr. Chamberlain pronounced definitely against a general Capital Levy, for the following reasons :—

It was an unfair allocation of burdens.

It encouraged individual extravagance and deterred saving.

If once adopted, even for reducing the National Debt, the public would feel they had no security that the expedient would not be repeated for quite other purposes.

It must have a deterrent effect upon the influx of foreign capital into this country.

Levy on War Wealth.

The proposal for a special levy on wealth "accumulated by reason of, out of, or during the war," stood on an entirely different footing. It was very attractive as an abstract proposition, but the difficulties were immense. The question the House would eventually have to determine was whether the difficulties of its application, the inevitable instances of injustice which might be inseparable from its working, and the general disadvantages to which it might give rise, outweighed the advantages that they might hope to secure from it. The

Chancellor announced that a Select Committee would be appointed* to examine the question and there would be placed before it a special report from the Board of Inland Revenue, which had been instructed to prepare a scheme for such a levy. Mr. Chamberlain concluded by emphasising the necessity for an increase of production throughout the country as vital for national prosperity and national credit.

The Right Hon. Sir D. Maclean (Leader of the Independent Liberal Party in Parliament) said taxation was better than borrowing, and retrenchment was better than taxation. He suggested that on two days in each of the remaining weeks before the Christmas vacation, the House should consider in Committee the new Estimates for the Army, the Navy and the Civil Service. Hon. Members would then back the Government, and the House would have an opportunity to re-assert its control over expenditure. In his opinion it was hopelessly bad to single out from the accretions which had fallen to individuals that part of them solely due to the war. The inquiry in regard to war-time accretions of wealth should be extended to include the question of a Capital Levy.

Taxation and Economy.

The Right Hon. W. Adamson (Chairman of the Parliamentary Labour Party) reminded the House that the Labour Party had foreseen the financial difficulties which would confront the people, and in January, 1918, had written to the Prime Minister suggesting the appointment of a Royal Commission for the purpose of securing detailed information as to the national wealth and liabilities. It was not for some considerable time that the party learned that the Cabinet would not entertain the proposal. In his judgment there were three broad general policies that might be pursued. The first was that they could repudiate the National Debt : this, he thought, was impossible. The second was the Government's policy of raising the necessary money by ordinary and extraordinary taxation. In his judgment to continue the present excessive taxation would be almost as fatal as the first policy. The third course which he believed carried the consent of the whole of the members of his party was that of a combination of taxation (taxation which would begin after a reasonable standard of life had been reached and would be of a graduated character, falling more heavily upon the incomes of the very rich, when they reached £20,000, £50,000 or £100,000), of rigid economy, and of taxation of war profits. He, personally, thought that instead of a tax upon war profits, every farthing that was made over pre-war profits in supplying necessities

*The appointment of the Select Committee has been postponed until the Session of 1920.

during that trying time should be taken. In addition, he believed that the people would be forced to face the question of a levy on capital.

The Secretary of State for War (the Right Hon. Winston Churchill) made a detailed statement regarding the increase of £118,000,000 in the Budget forecast of Army expenditure. Germany had failed to pay £47,000,000 for expenses of the Army of Occupation ; and of £50,000,000 which the Dominions owed for maintenance of their troops in the field during the war, the War Office would receive in the current financial year only £15,000,000, instead of £35,000,000. These two cases of deferred payment represented a falling off in anticipated receipts of £67,000,000. Defending the expenditure, Mr. Churchill claimed that the care and salvage of stores, and the demobilisation of troops had constituted an achievement of great efficiency.

The Right Hon. J. R. Clynes (Labour, Manchester) moved an amendment to the Chancellor of the Exchequer's resolution, declaring that the present national expenditure on war services was unjustifiable, that steps should be taken at once to effect more drastic economies, and that :

“ Further measures should be adopted to meet the present financial burdens and assist in liquidating the National Debt, such measures to include the imposition of a levy on capital and the reversion to the State of fortunes made as a result of the national emergency.”

The right hon. Gentleman said Germany and her associates were so completely beaten that there could have been no cause to keep in being such a costly military force as was maintained until a few months ago. On the question of subsidies, Mr. Clynes remarked that he had never regarded the policy as good for either sections of the community or for the State as a whole.

He suggested that by an advance of only 1s. each on their wages, the masses of the lower-paid wage earners would be able to cover fully whatever they now saved through any Government subsidy on their bread. That would save between £20,000,000 and £30,000,000 a year in respect of the subsidy now paid. As to the out-of-work donation, the Labour Party contended that it was the business of the Government, in view of the exceptional situation, to use their machinery, their establishments, etc., to find people work. An additional need for that simple step lay in the fact that there was a constant demand for increased production. Mr. Chamberlain would not find a hearty response from masses of the workmen to his appeals for increased production unless the workers had the assurance that they were to have their share by improved wages and a higher standard of living, and the guarantee, either in combination with the employers or

collectively with the State, that any improved exertions on their part or improved output should not be the cause of unemployment or personal suffering. He urged the need for inquiring into the question of a Capital Levy.

An Abnormal Year.

The Prime Minister (the Right Hon. D. Lloyd George) said the moment the Chancellor of the Exchequer sat down he felt that the debate was practically over so far as the charge of avoidable extravagance was concerned. The first year after the cessation of hostilities was always an abnormally expensive year. "You cannot disarm without making peace," Mr. Lloyd George said. "Demobilisation, when you make peace, takes time." He reminded the House that the Allies did not know till the last moment whether Germany would sign the Peace Treaty. Speaking of the future, he said he was told that a normal year would be a year with a deficiency of £2,000,000. That was on the assumption that Germany paid nothing. Why should they assume that? Germany this year was broken. But that was a temporary symptom which would pass away, and Germany would make her contribution. "For economy, as well as for liberty," the Premier added, "the price is eternal vigilance. We must be watchful, but I would warn the House not to mistake economy for a refusal to spend money upon objects which are essential to national life."

The Leader of the House (the Right Hon. A. Bonar Law) wound up the debate and said he did not think what was due to this country from Russia was for ever a bad debt.

On a division the Labour Party's amendment was defeated by 405 votes against 50, and thereafter the original motion was carried.

DEBATE IN HOUSE OF LORDS.

The House of Lords also debated the question at two sittings—the 23rd and 29th October.

Lord Buckmaster submitted a resolution declaring that, "it is essential that further taxation should be instantly imposed." He estimated that the sum of £600,000,000 a year had to be provided by direct taxation. The Government, he argued, must adopt to meet the situation one of three proposals, namely, a general Capital Levy; a capital Levy on war profits; or a 10s. Income Tax. The only other course was national bankruptcy.

The Secretary of State for the Colonies (Viscount Milner) maintained that the financial situation was not such as to justify rash changes in their fiscal system. Additional taxation might be necessary, but that necessity had not yet been proved. "What worries me," said Lord Milner, "is not the thousands of millions we owe to ourselves, but the much smaller number of millions we owe to other countries. What worries me most of all is the spectacle of the waste, not of counters, but of real wealth, involved in our persistent unscientific use of our raw materials. We bewail the reduction of our output of coal, but we might get double the value out of even the reduced output if we could only learn to make a better use of the coal. In the development of electricity, of wireless, of new forms of transport, of the new science of the air, I believe there are many prospects of increased wealth for this country. More than that, there is a mine of wealth, very little appreciated at the present moment, in some of our Colonies and Protectorates, if only we develop them with greater energy than we have done in the past."

Increased Exports Needed.

Lord Emmott said it was absolutely essential, if they were to pay their way as a nation, that exports should be increased from their present value of roughly £70,000,000 per month, to something like £90,000,000 or £100,000,000. They should also raise sufficient revenue to meet post-war expenditure from that moment, be it normal or abnormal.

Lord Faringdon observed that the existing state of uncertainty was harassing the community and was largely responsible for two things—the extravagance of living amongst certain classes of the community, and the large amount of currency notes in circulation.

Lord Beaverbrook thought that inflation was the real source of many of the difficulties—of much of the trouble—in finance with which they had to contend.

The Lord Chancellor (Lord Birkenhead) made the closing speech for the Government and on a division the motion was negatived by 52 votes against 13.

PREMIUM BONDS RESOLUTION.

The House of Commons discussed on 1st December the question of the issue by the Government of Investment and Premium Bonds. A memorial signed by a large number of members of Parliament had been presented to the Prime Minister urging that this method of raising money for State

purposes should be adopted, and the opportunity was afforded of ventilating the question. The debate took place on a motion in these terms:—

“That, in the opinion of this House, the time has arrived when the Government should make an issue of Investment and Premium Bonds, tax free, and redeemable at a fixed period with compound interest, a certain number of such Bonds being drawn at intervals and paid off with a premium or prize attached, the details of each issue to be settled by the Treasury.”

Mr. Horatio Bottomley (*Independent, Hackney, S.*) moved the resolution, remarking that this was a serious effort to bring before the Chancellor of the Exchequer suggestions, financially sound and ethically unassailable, for the purpose of helping him to grapple with the financial position.

Sir C. Kinloch-Cooke (*Coalition Unionist, Plymouth*), seconding the motion, said that in the case of Premium Bonds the investor not only had his principal returned, but received a rate of interest for his investment that in pre-war days would have been considered a fairly good return for money loaned to the State. In addition he got the chance of a prize sufficient in value, not to give him a large fortune, but to enable him, say, to buy a house, set up a business, or purchase an annuity.

The Gambling Element.

The Chancellor of the Exchequer (*the Right Hon. Austen Chamberlain*) said he would not argue the question as one of moral right or wrong, but he asked the House to judge it on grounds of expediency. Rightly or wrongly that kind of proposal shocked a great number of people in this country. “What is there in this form of loan,” Mr. Chamberlain asked, “to distinguish it from any previous form of loan, except the gambling element introduced into it? If interest be your object, then $2\frac{1}{2}$ per cent. will not be so attractive as 5 per cent. If security be your object, then $2\frac{1}{2}$ per cent. on a Premium Bond is no better than the Government guarantee of any other bond. If accessibility to your money or to your little capital at any moment when you may have need of it is what you want, then the Premium Bond is less attractive than either the War Savings Certificates or the deposits in the Post Office. There is nothing in a Premium Bond as advocated by the hon. Gentleman which can offer a superior attraction to anybody except the gambling chance irrespective of the interest which is paid.”

“Is it possible to make a State issue and carry on a great campaign in support of it and not make the gambling chance the theme of your whole scheme? And if you do that, can anyone say that by calling it a Premium Bond or an Invest-

ment Bond, by paying $2\frac{1}{2}$ per cent. or returning the capital, say, in ten or twenty years' time, you save yourselves from the injurious effects which followed the old lottery, and which are inherent in gambling in other and unlicensed forms? I doubt whether we ought to confront the possibility of such evil for anything. I am quite sure that we should be unwise to confront it unless we were quite certain that the advantage was real and great."

Would not Encourage Saving.

The right hon. Gentleman went on to say that, unless by diversion from other sources, they would get no large sum. Such diversion might take place of big money if they made the terms of the loan such that it paid a very rich man to invest in the issue free of tax rather than investing in other Government securities which paid Income Tax. But from the small holder they might succeed in attracting money which now went into the savings banks and War Savings Certificates, and succeed in introducing throughout the country a fever of excitement leading everybody to watch the drawings, and leading people to buy tickets when they saw prizes won by persons as poor, or poorer, than themselves. But he did not believe that would encourage saving. He did not think it would advance their credit. He thought it might, and that very seriously, affect the work of the War Savings Committee. Above all, at a time when the one lesson they had to teach everybody was that there was no salvation except in work, they would teach them to expect salvation by luck.

After a full debate the House divided on the resolution. A free vote was taken, as the Government Whips did not act as Tellers. The result was an overwhelming defeat of the resolution by 276 votes against 84.

NAVY ESTIMATES.

Revised Navy Estimates were presented to Parliament in December and showed an increase of £8,328,800 on the original estimates. The figures were :—

Original estimates	..	..	..	£149,200,000
Revised estimates	..	..	..	£157,528,000

The revised estimates were considered in Committee of Supply of the House of Commons on 10th December, when,

The First Lord of the Admiralty (the Right Hon. Walter Long) said that every effort had been made to secure economy,

where economy was consistent with their duty and with efficiency. The increase on the amount of the March estimates was accounted for by the following items :—

Increase in officers' pay	..	..	£2,400,000
Increase in men's pay	..	..	£8,000,000
Gratuities	..	..	£3,000,000
Other increases	..	..	£27,000,000

If it had not been for rigorous and very general economy, therefore, the net increase in the estimates would have been much greater. A number of naval establishments had been closed down and the personnel had been reduced from 407,000, at the date of the Armistice, to about 150,000. As regards contracts for ships, at the time of the Armistice there were 1,005 ordered and under construction. Since then 611 had been cancelled; 319 had been completed up to 31st October; and 75 remained to be completed. The actual approximate saving resulting from the cancellation of those orders amounted to no less than £46,400,000, but of the net total estimates, £80,000,000 was non-recurring war expenditure, so that if their liabilities could have been discharged before last March the estimates would have been £77,000,000.

Future of the Navy.

Turning to the future of the Navy, the First Lord said that reductions, obviously, there must be. "It is quite clear," he remarked, "that we do not want a Navy as big as we have now, but the reductions must be gradual, and certainly the present Board of Admiralty have no intention whatever of making such reductions as would put us in a position of insecurity at home, or render us unable to do our duty by the Empire." The Board of Admiralty were just as well aware as anybody else of the fact that they had immense possibilities before them. Who could say what was going to be the development of the air service in the future, and what was to be the effect of it?

"I was told to-day," continued the right hon. Gentleman, "that the air service is going to be so effective that it will destroy the battleship, which is such a big target. That is the view of one side. I go to a great airman and I say, 'I am told that our big battleships are not going to be of any use, because they offer such big targets for bombs which are heaven knows how many tons in weight, and which are to be dropped from the clouds on to the battleships.' He said, 'Some people will tell you that, but, speaking for the air people, I can say that as fast as they develop that attack we are developing a counter-attack and defence, and we shall have something to say before you abandon your big ship simply

because an airship has been devised that is going to threaten you with bombs.' There are the two sides to the question. I am taking neither side. We have to-day in His Majesty's Navy some of the most magnificent ships the world has ever seen, wonderful productions, and to destroy these vessels because we are told that the air is going to replace the Navy would be a criminal thing for any Board of Admiralty to do."

The Submarine.

"Take the case of a submarine. We are told that because of the submarine the big ship will not be able to move or to manœuvre, and that it will be of no use. Surely the answer to that is science, development, and invention. We are laboriously engaged on our scientific side in examining these problems, and I have not the smallest doubt that the greatest progress will be made in dealing with the submarine. Look at the wonderful strides that have been made in dealing with the mysteries of sounds below the water. Look at the power given to the commanders of the ships from this knowledge, which was entirely withheld from them before. The Admiralty, through the science departments, are working regularly and incessantly on these scientific developments, and they believe that in these are to be found more probably the solution of the difficulties than in the abandonment of the great ship which has told, and will tell again, when it comes to great conflict, and when weight of metal is essential in order to secure the balance of victory. I only make these remarks because I do think it is unreasonable to ask us all of a sudden to abandon a great portion of our Navy owing to certain assertions which are made, because to-day they have not reached a stage further than that."

The Navy, added the First Lord, existed for the protection of Great Britain and the people would continue to demand that there should be a Navy sufficient to give them reasonable security. In face of the conditions existing before the war they had, in some cases, to prepare to meet the greater risk and run the minor one.

Showing the Flag.

In many cases the old desirable work of the Navy was curtailed—even abandoned. He meant showing the White Ensign in the various waters of the British Empire. "I am satisfied," said Mr. Long, "that this was essential, not merely for maintaining the prestige of our Imperial name, but because—and I have had abundant proof since I have been at the Admiralty and at the Colonial Office—in the interests of trade and the prosperity of the Empire it was essential that our flag should be shown, and shown widely."

The Right Hon. George Lambert (*Liberal, Devon, South Molton*) said that when the estimates were presented next year they would require some idea as to the permanent policy of the Navy.

Major-General the Rt. Hon. J. E. B. Seely (*late Under-Secretary of State for Air*) submitted that at the present moment nothing like the advantage that might be taken of the possibilities in the air was being taken by the Board of Admiralty. He claimed that they could not have an efficient fleet without an adequate air service. How did the First Lord suppose he could get an efficient air service for the Navy unless he could appeal to an impartial man, and not a man who must have the interests of competing Services at heart.

The First Lord of the Admiralty said the moment he found that the Navy suffered the first thing he would have to do would be to discover whether the culprit was the Air Board or the War Office. Having found the culprit, the second thing would be to decide the course to take in regard to his own position.

After considerable discussion, the Votes comprised in the Estimates were agreed to.

ARMY ESTIMATES.

Revised Army Estimates were presented to Parliament and discussed by the House of Commons in Committee of Supply on 15th December. The net total of cash required for Army Services during the financial year 1919-20 is £405,000,000—an increase on the amount originally estimated of £118,000,000. Figures presented in March compared with the revised estimates as follows :—

	Original estimates.	Revised estimates.	Increase or decrease.
Gross expenditure ..	£440,000,000	£500,000,000	+£60,000,000
Receipts	£153,000,000	£95,000,000	—£58,000,000
An analysis of the estimates gave the following net figures under various heads of expenditure :—			
			£
Maintenance of Standing Army			268,534,000
Territorial and Reserve Forces and Volunteers ..			1,349,000
Education, etc., Establishments, and working expenses of hospitals, dépôts, etc.			24,420,000
War Office, Staff of Commands at Home and Colonial Garrisons, etc.			6,909,000
Capital Accounts			3,650,000
Terminal and Miscellaneous Charges and Receipts ..			114,493,000
Half-pay, Retired Pay, Pensions, and Civil Super- annuation			5,378,000
Total			<u>£424,733,000</u>

Various deductions, which reduce the total to £405,000,000, include items for which no cash payment is made, comprising services provided for in Votes for other departments.

The Russian Adventure.

In the course of discussion on the Votes,

The Right. Hon. W. Adamson (Chairman of the Parliamentary Labour Party) said they had ended the War, but had, he feared, established a military autocracy in this country. Many items of expenditure could be severely criticised. Again and again the Labour Party had called attention to the foolishness of the Government's policy in Russia. If that adventure, for which he feared the Secretary of State for War would have to bear a considerable portion of the blame, had not been embarked upon, they would have been able to save at least £100,000,000. Not only so, but he was inclined to think that they would have been much nearer a general peace than they were now. Proceeding to refer to various specific points, the right hon. gentleman said that on demobilisation men were transferred to Class Z Reserve. When, he asked, was it proposed to give them their complete discharge?

The Secretary of State for War (the Right Hon. Winston Churchill): "When the compulsory service Act ends, on 30th April next."

Mr. Adamson asked whether these men could be called upon in the event of any industrial trouble arising in the meantime.

The Secretary of State for War: "Legally, undoubtedly; but I cannot conceive of any set of circumstances arising which would render such a step necessary. We have been through serious strikes, and the idea was never even entertained."

Mr. Adamson agreed that legally, until the men were entirely discharged, they could be recalled. It would, however, in the circumstances, be a foolish and highly dangerous policy for the Government to adopt.

The Country's Demand.

The Right Hon. Sir Donald Maclean (Leader of the Independent Liberal Party in Parliament) said the estimates presented in the early part of the year were sufficiently staggering, but they had since gone up by tens of millions. He was certain that, so far as expenditure on the Army was concerned, the country would demand that there should be the most drastic reductions consistent with a reasonable margin of safety.

The Secretary of State for War, replying on various points raised in the discussion, said there had been a slight lag in the demobilisation of the Army, but it was not a serious

one. Regarding promotion from the ranks, he remarked that he could claim to have always been a supporter of that principle, and he pledged himself to see to it that this element was not lacking in the new Army scheme. The question of an amnesty for prisoners had been raised. "Instead of pursuing a sort of haphazard system of universal amnesty, irrespective of offences of any kind," said Mr. Churchill, "we have pursued continuously a policy of merciful and carefully considered revision and clemency. I believe that, so far from there being languishing captives, sentenced under the cruel circumstances of war and left forgotten in their gaols in great numbers all over the country, everyone who has studied the question will be astonished to know to what minute dimensions a wise and humane policy, steadily pursued, has reduced the military population of our convict prisons."

Reductions in the Army.

Turning to the question of expenditure, the right hon. gentleman said the £405,000,000 was not required for keeping up the British Army, but for demobilising it, and £73,000,000 was paid in gratuities alone. "I say we have done extremely well—better than any other country," Mr. Churchill continued, "We have reduced the Army from its great scale of between 3,000,000 and 4,000,000 to less than 500,000 at present, and to somewhat less than 300,000 by 31st of March. We have brought these men home from all parts of the world at the rate of something like 10,000 a day, and nine out of every ten of them are at work in productive civil employment. I have been responsible during the currency of this year for leading this country away from conscription alone amongst the nations of Europe, and by the 30th of April this country will be free from conscription, when Japan, America, France, Italy, and Belgium, to say nothing of the smaller States, will all have compulsory military service. . . . So far from being a conscriptionist War Minister, I am the only anti-conscriptionist War Minister in Europe."

As to extravagance, Mr. Churchill said he claimed to have found Army estimates far above £1,000,000,000, to have reduced them through an interim stage to £400,000,000, and down to considerably under £100,000,000. The Air estimates had been reduced from £370,000,000 down through the phase of £54,000,000 to something like £15,000,000. The right hon. gentleman dealt finally with Russia. "When I went to the War Office," he said, "I found 40,000 British troops in Russia, and my guilt has consisted in reducing these 40,000 troops to something less than 2,000. The reduction of the force in Russia has been continuous throughout the whole year, and we have now fewer troops in Russia than the French or

the Americans or, I need scarcely say, the Japanese. You may say I have been responsible for the evacuation of Russia. It is quite true that I think the policy pursued by the Great Allied Nations in regard to Russia is one which may well be called in question at some future date. Of course, one had to act in a great Alliance, and any military measures which I have taken in regard to Russia have been taken as the result of the decisions of the Supreme Council. Either in the one sense or in the other they have been taken as the result of these decisions."

The Votes comprised in the estimates were agreed to.

AIR ESTIMATES.

Air Estimates were discussed in Committee of Supply of the House of Commons on 15th December, and advantage was taken of the occasion to raise again the question of a separate Air Ministry. A sum of £45,000,000 had been voted earlier in the Session on account of Air Services, and the total additional sum now asked for was £9,030,850.

On a Vote for an additional sum of £3,518,000 for pay of the Air Force,

Major-General the Right Hon. J. E. B. Seely moved to reduce the Vote by £100. He said the point which seemed to him to make these Air Estimates bad estimates was that the man who was responsible for an expenditure of £40,000,000 or £50,000,000 now, and would be responsible for an expenditure of £14,000,000 or £15,000,000 in future, could not give more than one-tenth part of his time to the business. If the Leader of the House said that the Prime Minister was of opinion that it was a good plan that the Secretary of State for War should also be Secretary of State for Air, then he could only say on his own behalf, and on behalf of a great number of members of that House, and of a growing body of opinion in the country, that they would not rest until they had put an end to a system so baneful to the national defence, so contrary to the decision which Parliament had already made, and so fatal to the future of the country's well-being in the air, on land, and on sea.

Unfair to the Admiralty.

The right hon. and gallant Member gave reasons why he considered the arrangement a bad one. One of them was that it was grossly unfair to the Admiralty. "The Admiralty think they have been deceived," he said. "They say very bluntly that they have been swindled. They accepted the policy of the Air Minister because they believed it would see

fair play between the Army and the Navy. Now they find that the only man they can appeal to is the Secretary of State for War." General Seely went on to state that Lord Fisher took the extreme view that their new-found air power must alter the whole of their naval arrangements; yet the question as to whether or not the Navy was to have the support from the air which it required was left to be decided by a man who controlled the Army. He had referred to that as *opéra bouffe*. It really was. The Government's policy was bad in every way for the future of the air and of those controlling it.

The Leader of the House (the Right Hon. A. Bonar Law) said that over and over again in their political history a Minister had filled more than one post, and General Seely had no more right to say that the Air Force was being sacrificed to the Army than those in favour of the Army would have the right to say that the Army was being sacrificed to the Air Force. Referring to the argument that because the Secretary of State for Air was also Secretary of State for War, therefore the Navy was being sacrificed to the War Office, Mr. Bonar Law said, "Of course it is true that in any rearrangement of Services there must be great difficulties between the Admiralty and the Air Ministry. But I can say with absolute confidence, after discussing it with the First Lord, that there is no reason whatever to suppose that the difficulties have been or will be greater because my right hon. Friend happens to be Secretary of State for War than if he were dealing with them solely as Secretary of State for Air. The whole question is, 'Does he or does he not look at air problems with a bias in favour of the Army?' If he does, it is a wrong appointment; if he does not, and if he tries to deal with it as well as he can on the merits as if he were solely Air Minister, then I do not think the House of Commons has much reason to complain of the arrangement."

The Right Hon. George Lambert (Liberal, Devon, South Molton) felt strongly that the system was wholly wrong.

Civil Aviation,

Captain Wedgwood Benn (Independent Liberal, Leith) touched upon the amount allocated to civil aviation. So far as he could make out, there was £50,000 for the civil route from Egypt to India; £38,000 for the Department itself; and £25,000 for rewards for inventions. For supply and research no figure was named. There appeared to be less than £100,000 in the estimates for the development of civil aviation. He thought that a very small sum, and he suggested it was the wrong way to go to work. The Secretary for Air appeared to be supplying them with a moderate Air Force of an accepted type and leaving them ill-supplied with the means of develop-

ing new types. Problems in the air at the present time were not so much fighting problems as flying problems. Matters in which they might look for some development were increase of speed, increase of engine-power—or diminished weight of engines as compared with horse-power—increased flying, and so forth. All those things could be developed by the civilian aviator, and everything that he found out would be available at the outbreak of any future war for the service of the military forces.

The Secretary of State for War (the Right Hon. Winston Churchill) said that the estimates of 1918–19 for the Air aggregated £370,000,000, including the Vote for the Ministry of Munitions for aircraft. In 1919–20 they had fallen to £54,000,000, and the limit which the Cabinet had approved for the framing of the Air Force Estimate next year was approximately £15,000,000, so that whatever else might be said, a very great reduction was being effected in the scale of expenditure. All the course of the present year had been occupied in building up by every means a separate independent Royal Air Force, and in making an organisation which would effectively prevent any future combining up of the Air Service between the Army and the Navy. It would take, approximately, five years to bring the permanent post-war Air Force into the same kind of running order as were the pre-war Army and Navy.

The Royal Air Force was in want of practically every permanent institution of a disciplined service. No service had ever approached it in complexity. Nearly every trade and every science found its part in aerial warfare. Even the complexities of the modern battleship, with all its technical departments grouped together in its vast machinery, fell far short in number and in delicacy of the subsidiary services which were essential to an efficient air force. Therefore, at the outset schools, colleges, training centres, experimental establishments of many different kinds had to be called into being and organised. It was quite impossible to maintain a permanent service in healthy discipline without that reasonable degree of comfort which could only be afforded by permanent habitation.

The Next Three Years.

“During the next three years,” said Mr. Churchill, “we have, therefore, to spend a considerable proportion of our limited funds available for maintaining the Air Force on bricks and mortar. That is to say, we have to replace the temporary buildings which can be used at the present time by permanent structures which will be satisfactory to the health and comfort of the personnel. However, during these same years, it happens

fortunately that practically no new construction of aircraft is required except for experimental purposes. We shall continue repeatedly to experiment in type, each type an improvement upon the other, but we do not require any bulk production in the next two or three years in aircraft.

“If larger sums are required for civil aviation, additional money must be voted by Parliament. That must be faced. I do not myself believe that it is the business of the Government to carry civil aviation forward by means of great expenditure of public money. Our business is first of all to do all we can to facilitate the development of civil aviation, to develop the routes and the key aerodromes, to develop the legislation, to assist in all those ways which are open to a Government Department to advertise and push British civil aviation. But the effort which is to sustain it must be a spontaneous effort arising from the country and the trade, and the best thing we can do in regard to that is to make sure that we do not get in the way of it.”

The right hon. Gentleman remarked that they had at the head of civil aviation in General Sykes an extremely competent officer, and he felt with great confidence that his treatment of the problem from the Government point of view would be attended by the same measure of success as had attended Sir Hugh Trenchard's treatment of the military problem. As to the provision for the Navy, very satisfactory relations had been established between the Air Staff and the Admiralty. Admiral Beatty in particular had shown that he was a sincere friend and well-wisher of the Royal Air Force. He looked forward to the most favourable results from his co-operation.

On a division the amendment was rejected by 180 votes to 39, and the vote was then agreed to, as were also other Votes for the same Service.

RUSSIAN POLICY.

On 17th November the adjournment of the House of Commons was moved for the purpose of debating the Government's policy in regard to Russia.

The Right Hon. Sir Donald Maclean (Leader of the Independent Liberal Party in Parliament), opening the debate, quoted from the Prime Minister's Guildhall speech as follows :—
“I am hopeful that when the winter gives time for all sections there to reflect and re-consider the situation, an opportunity may present itself to the Great Powers of the world to promote

peace and concord in that great country." It was clear, continued Sir Donald Maclean, that in the Government there had been, and for aught he knew still was, no settled policy with regard to our relations with Russia. The Prime Minister and the Secretary for War had not been in agreement. The policy of the Prime Minister was our traditional policy—no interference and intervention in the internal affairs of another country. That of the Secretary for War was that Bolshevism should, in the interests of civilisation, be repressed by force of arms.

Intervention Policy.

The policy of intervention had failed; the Bolsheviks were in a stronger position to-day in Russia than they had ever been. The overmastering dominance of our interests in a peaceful and friendly Russia could not be over-estimated either in Europe or in Asia, and our business now was to leave Russia to work out her own salvation.

The Right Hon. Lord Robert Cecil (*Coalition Unionist, Hitchin*) said there was only one hope for Europe—a rapid restoration of confidence and credit throughout the Continent. To attain this, peace was absolutely essential. The Bolshevik régime had, from the outset, been one of cold-blooded murder and outrage, and it appeared foreign to our traditions to propose negotiations with a Government like the Bolshevik Government. But the dominating feeling amongst the great masses of the Russian population was a desire for peace. The Council of the League of Nations should use its prestige and authority for the attainment of this peace.

The Right Hon. A. Henderson (*Labour, Widnes*) said that Labour had been opposed to intervention in the internal affairs of Russia for two main reasons. First, they felt convinced that any policy of intervention, whether mild or drastic, was a violation of one of the most important of the Fourteen Points, namely, the principle of self-determination. Secondly, they considered that intervention, at any rate in the mild form in which it had been pursued, was prolonging civil war in Russia, because it had the effect of strengthening the forces of reaction without bringing to the British or the Russian people any corresponding advantage. Whatever differences there might be in the Labour movement with regard to the theory and practice of Soviet government or of Bolshevism, there was no difference of opinion as to the reactionary effect of an interventionist policy. Labour believed that by the support given to Koltchak and Denikin the British had strengthened the reactionary elements in Russia.

Confidence in Britain Destroyed.

British intervention had the effect of destroying to a considerable extent the confidence of the Russian people in the good will and good faith of this nation. Labour demanded that no money, or troops, or material, or diplomatic aid should be given. They believed that until Russia was at peace with the rest of the world the economic and political regeneration of Europe was impossible. "Instead of a policy directed to the prolongation of civil war," said Mr. Henderson, "we urge the Government to direct its efforts towards helping the Russian people. In the Labour movement we have been pleading for a policy which would help the Russian people in their great struggle for the regeneration of their land and the conservation of the principles for which they fought so strongly and so unitedly in the great revolution of March, 1917. The horror that we feel for the crimes charged against the Soviet Government ought not to blind us to the terrible tyranny to which the March revolution will, we hope, for ever put an end. We believe that the withdrawal of our help from the reactionary forces of Russia will hasten the moment when the Russian people will re-establish control of their own affairs on sound democratic principles."

The right hon. Gentleman suggested that a Commission of experts should be designated by the League of Nations to visit Russia. That Mission should be accompanied by representatives both of the Government and of the different sections of the working-class movement. Such a Commission would be able to state authoritatively that the interventionist policy had been definitely abandoned. If it were thoroughly representative, and invested with full authority, it would, in the Labour Party's opinion, go far to win the confidence of the great millions of Russia by assuring them that England desired to help them to re-establish their political and economic life.

Efforts for Peace.

The Prime Minister (the Right Hon. D. Lloyd George) replying, said he had heard speeches which took one point of view, and others which took an absolutely different point of view, but all had been in agreement as to the horror of both the principles and the practice of the Bolshevik reign in Russia. There was no difference of opinion in the House as to Bolshevism and as to the pernicious character of its doctrines. With reference to the April policy, Mr. Lloyd George said he thought that peace could have been established then if all the parties had suspended hostilities. That was his view, and that of the Council at the time, but neither Bolsheviks, nor anti-Bolsheviks would consent to it.

Efforts at peace-making being unavailing, the decision was made that "there should be no Allied military intervention in Russia; that was, that we should not send armies to conquer the Bolsheviks. But in order to discharge an obligation of honour to the men who had stood with us we supplied Denikin with all necessary ammunition to enable him to hold his own. This policy was a success."

The second policy was to enable regions which were anti-Bolshevist to protect themselves. That also was done. "It was perfectly obvious that this country, with the enormous burdens cast upon it by the war, could not undertake the financing of a civil war in Russia indefinitely. Our first concern must be for our own people, and there is no surer road to Bolshevism than financial bankruptcy."

Complicated Situation.

The situation in Russia was rendered so complicated by the fact that it was not a pure fight between Bolshevism and anti-Bolshevism, for inside anti-Bolshevism there were two separate and distinct theories with regard to the future, not Government of Russia, but economic policy of Russia. One set of forces were fighting for consolidation, reuniting, re-knitting together the old powerful Russia; the other forces were fighting for local independence and their nationality. Would any wise man recommend this land to undertake the terrible responsibility of restoring order in a country which was a continent? He would take no responsibility. Bolshevism was not to be conquered by force of arms, but by sympathetic justice and by the planting of confidence in all the classes of a country.

ALIENS RESTRICTION ACT.

Prolonged consideration was bestowed upon the Aliens Restriction Bill during its progress through the two Houses, and the measure, though introduced in the summer, did not become law until the end of the Session. Criticism of the original Ministerial proposals was based mainly on the ground that they needed to be strengthened and the Government sustained a defeat on the Bill in the House of Commons. The main provisions of the Act, which continues and extends the provisions of the Aliens Restriction Act, 1914, are these:—

The powers conferred by the Act of 1914, amended in some respects by the present Act, are continued for one year from the date of the passing of the amending Act.

If an alien attempts, or does, any act calculated to cause sedition or disaffection amongst His Majesty's Forces, or the forces of his Allies,

or amongst the civil population, he is liable on conviction on indictment to penal servitude up to ten years, or on summary conviction to imprisonment up to three months.

If an alien promotes, or attempts to promote, industrial unrest in any industry in which he has not been *bonâ fide* engaged for at least two years immediately preceding in the United Kingdom, he is liable to imprisonment up to three months.

No alien is to hold a pilotage certificate for any pilotage district in the United Kingdom; except that the provisions of Section 24 of the Pilotage Act, 1913, continue to apply to the renewal and issue of certificates entitling a master or mate of French nationality to navigate his ship into Newhaven or Grimsby.

The Merchant Service.

No alien is to act as master, chief officer, or chief engineer of a British merchant ship registered in the United Kingdom, or as skipper or second hand of a fishing boat so registered, except in the case of a ship or boat employed habitually in voyages between ports outside the United Kingdom. Aliens who have acted in any of these capacities during the war, and are certified by the Admiralty to have performed good and faithful service, are exempted from this provision.

No alien is to be employed in any capacity on a British ship registered in the United Kingdom at less than the standard rate of pay current on British ships for his rating, and any alien so employed must produce to the officer before whom he is engaged satisfactory proof of his nationality.

No alien is to be appointed to any office or place in the Civil Service.

An alien must not for any purpose, after the passing of the Act, assume or use any name other than that by which he was ordinarily known on 4th August, 1914, but the Home Secretary may grant an exemption on special grounds.

No alien is to sit upon a jury in judicial or other proceedings if challenged by any party to such proceedings.

Deportation.

Every former enemy alien now in the United Kingdom to whom Section 9 of the Act applies (see next paragraph) shall be deported forthwith unless the Home Secretary, on the recommendation of the advisory committee constituted under the Act, grants him a licence to remain.

The section applies to any former enemy alien (excepting a person exempted from internment or repatriation after 1st January, 1918, and before the passing of the amending Act) as to whom there is delivered to the Home Secretary, within two months after the passing of the Act, a statement in writing signed by a credible person that continued residence in the United Kingdom of that alien is, for reasons relating to the alien, undesirable in the public interest, and giving particulars of the allegations upon which such reasons are based.

The Home Secretary is to refer all such statements to the advisory committee, who will require each alien affected to make within a month an application to remain in the United Kingdom containing an answer to the allegations. The committee may:—

(A) Recommend that the alien be immediately deported.

(B) If satisfied that the allegations are groundless or insufficient, and that the alien holds an exemption recommended by an advisory

committee appointed in 1915, recommend that the exemption be not disturbed.

(c) Recommend that the alien be granted a licence to remain subject to terms and conditions.

Admission of Aliens.

No former enemy alien shall, for a period of three years, be permitted to land in the United Kingdom either from the sea or from the air, or, if he should do, to remain, without the permission of the Home Secretary, to be granted only on special grounds, such permission to be limited to a period of three months, and to be renewable from time to time for a like period.

During a period of three years it shall not be lawful for a former enemy alien, either in his own name or in the name of a trustee, to acquire property of any of the following descriptions:—

(A) Any land, or any interest in any land, in the United Kingdom.

(B) Any interest in a key industry, or any share or interest in a share in a company registered in the United Kingdom which carries on any such industry.

(c) Any share or interest in a share in a company owning a British ship registered in the United Kingdom.

No former enemy alien is to be employed or to act as master, officer, or member of the crew of a British ship registered in the United Kingdom.

After second reading in the House of Commons, the Bill was committed to a Standing Committee and during the detailed examination of its clauses was substantially amended.

DEBATE IN HOUSE OF COMMONS.

The Report stage was begun on 22nd October (the day of Parliament's resumption after the Autumn Recess) and an interesting discussion took place on a proposed new clause to the effect that:—

No person, firm, or company in the United Kingdom shall employ in any establishment, without a licence granted by the Home Secretary for special reasons, aliens to a greater number than twenty-five per cent. of the total number of persons employed by him or them.

Employment of Aliens.

Sir Ernest Wild, K.C. (Coalition Unionist, *West Ham, Upton*), who moved the new clause, said supporters of the proposal contended that the problem of finding work for men and women in this country could be solved by giving employment to their own people, rather than to aliens. The East End of London, for example, was literally infested by aliens, and practically all the names on the shops were those of people alien to this country. One of the objects of the promoters of the clause was that they should not revert to the undesirable practice, which obtained before the war, of having the great majority of waiters in hotels of alien origin. "Every-

body knows," the hon. Member observed, "that the foreign waiters, and particularly those of enemy origin, were the centres of the spy system that obtained during the war." He had some personal knowledge of the extent to which vice and crime were fostered by aliens: and in speaking of aliens in that connection, he by no means limited himself to this country's late enemies. A great deal of the vice and crime that came before criminal courts was fostered and originated by so-called neutral aliens—more particularly by Russians. The only hostile criticism that could be made about the clause was that it erred in moderation.

Britain for the British.

Mr. R. McNeill (*Coalition Unionist, Canterbury*), in seconding the motion, remarked that at the General Election every other subject paled in interest at popular meetings before the suggestion that, in view of their experience before the war, they were going to keep their own country for their own people.

Mr. Kiley (*Independent Liberal, Whitechapel*), opposing the new clause, referred to the assistance rendered by aliens possessing skilled knowledge in important home industries. "I recall very vividly the mantle trade," said the hon. Member. "Our Colonial and Overseas buyers came to London to make their purchases, but had to go to Berlin to buy the stocks of mantles they required. We were able to bring over mantle makers into the East End of London, and as the result not a Colonial buyer for the last ten years has ever thought of going to Berlin to obtain mantles. He can obtain all he wants in this country." The hon. Member also referred to the cigarette industry, the cabinet-making industry, and the clothing trade as illustrations of his argument, and counselled the Government not to accept the proposal before the House without making full inquiry from traders.

The Home Secretary (*the Right Hon. Edward Shortt*) asked the House to reject the proposal, which, he argued, was totally unworkable. The question of reprisals had been ridiculed, but it was a serious matter. According to the information given to him, for one alien that they could replace in this country by British labour, there were in foreign countries at least three Britishers who by way of reprisal could be replaced by natives of those countries. No doubt, in many cases they would be so replaced.

300,000 Aliens.

"I wonder," said Mr. Shortt, "if the House recollects how many aliens there are in this country altogether—allied, neutral, and enemy. If you eliminate the Belgian refugees,

most of whom have now returned, there were something over 300,000 aliens in 1918. Of these about 100,000 were in the Metropolitan area. What is that among the whole population? Take this proposal. It does not deal with anyone who employs fewer than five people. How many will that take out of the 300,000? It will not take an enormous number out of the 100,000 in the Metropolis. There are all those shops with foreign names upon them, to which reference has been made. They would continue. It would not put a single British tradesman in their places. What would the result be, supposing you had 200,000 aliens employed in various industries up and down the country? Suppose you turn a number of these out of their employment, say 50,000 or 100,000. What are you going to do with them? Are you going to allow them to starve, or to put them on the rates?"

Hon. Members: "Deport them."

The Home Secretary: "They have been allowed into this country. On what ground are you going to deport them? You cannot deport them merely because you turn them out of their employment. Those whom you succeed in turning out of their employment will get employment elsewhere, and, probably, will cause some other Britisher to lose his work. The whole thing is misconceived: it is not workable."

Mr. John Jones (Labour, London, Silvertown) asked "Why limit the proposal to 25 per cent." Take a sugar factory, or a chemical factory, or any industrial establishment on Thames-side, and what would they find? They would find that mainly the aliens were that class of labour which was the lowest paid and the hardest worked, and that they were continually recruited by employers for the purpose of reducing the standard of wages.

On a division, the proposed new clause was rejected by 205 votes against 130.

Aliens and Juries.

Mr. Horatio Bottomley (Independent, Hackney, S.) moved a new clause to the effect that no alien should sit upon a jury if challenged by any party to the proceedings. He remembered one case, he said, in which the foreman of the jury did not speak a word of English. If that could happen in one case it could happen in a hundred cases.

Mr. Pemberton Billing (Independent, Herts, E.) seconded the motion, and said he would have preferred the clause without the condition of challenging.

The Under-Secretary for the Home Department (Major Baird) accepted the principle of the amendment. He remarked, however, that it seemed a pity that a foreigner, who enjoyed

all the privileges of living in this country, should not also have to bear some of the burdens, such as liability to sit on a jury. At the same time, if anyone who had the misfortune to be tried objected—as most of them probably would object—to being tried by a foreigner on a jury, it was open to such a person at once to object to the foreigner's presence.

The proposed new clause was agreed to without a division.

Mr. Bottomley submitted another proposal making it unlawful for any alien to enter into a contract of marriage with a British subject without first obtaining a licence from the Home Secretary, but this was negatived.

Pilotage Certificates.

The defeat of the Government mentioned above, occurred on Clause 4, which, in its original form, provided that :—

No alien shall hold a pilotage certificate for any port in the United Kingdom.

The Home Secretary moved as an amendment to add at the end the words “except in the cases for which special provision is made by the Pilotage Act, 1913.” **Mr. Shortt** pointed out that an agreement with respect to pilot certificates existed between Great Britain and France and was embodied in the Act of 1913.

Mr. Wignall (*Labour, Forest of Dean*) expressed alarm at the amendment. He knew some of the men who held certificates before the war. It was his firm conviction that many a British ship, and many a noble British seaman, had gone to the bottom of the ocean because some of the aliens who held pilotage certificates knew the movements of British ships and exactly where to meet them.

After further debate in which other hon. Members opposed the amendment,

The President of the Board of Trade (the Right Hon. Sir **Auckland Geddes**) rose to explain the position. “There are at the present moment,” he said, “24 living individuals who are not British subjects and are entitled to act as pilots. They are masters of foreign or British ships, and are entitled to pilot those foreign or British ships into one or other of two ports, namely, Grimsby and Newhaven. Everything else is ended. Those 24 individuals cannot possibly be increased in number. None of them are Germans; none of them are Austrians, and none of them belong to any of the nations with which we have been at war. Certain of them hold certificates granted before the 1st of June, 1906. Those certificates may be kept alive in respect of the individuals who now hold them, but they cannot be renewed under the Act of 1913.

Admiralty Approval Required.

“The only new certificates it is possible to grant are those to masters of ships who are doing what I may call a ferry service and entering some port frequently, say every day or every second day. Where a new ship is put on and where it is substantially of the same class and running into Newhaven or Grimsby, it is competent under the law for a certificate to be granted to the master of that ship. As a matter of fact, by the arrangement which exists with regard to these matters no certificates of authorisation are issued by the Board of Trade without first getting the Admiralty's sanction and approval. The Admiralty do not authorise any application without fully considering the facts of the case.”

Colonel Yate (Coalition Unionist, Leicestershire, Melton) : “Has a British pilot the right to pilot any boat into foreign ports ? ”

The President of the Board of Trade : “British masters are taking boats into Havre, Boulogne, and other French ports—that is the cross-Channel service—every night and morning.”

The Right Hon. Sir F. Banbury (Coalition Unionist, City of London) strongly objected to this country breaking any bargain or agreement. He, therefore, moved to alter the Home Secretary's amendment so that it would read, “except in the case of France, in which country the special provision made by the Pilotage Act, 1913, shall apply.”

The Home Secretary accepted this proposal on behalf of the Government.

The Right Hon. Sir E. Carson (Leader of the Ulster Unionist Party) said he would like to know whether the French allowed British captains to have pilotage certificates for the ports in France ?

The President of the Board of Trade : “The system is different, but our captains have the right to pilot into French ports.” (An Hon. Member : “They pay dues.”) “Yes, it is something like that.”

Sir E. Carson said that unless he had better information that this country had reciprocal obligations and treatment in all respects, he was not prepared to say that pilotage certificates should be given to any but those of British birth.

On a division the amendment was rejected by 185 votes against 113. As this meant a defeat for the Government,

The Leader of the House (the Right Hon. A. Bonar Law) moved that the further consideration of the Bill be adjourned, and this was agreed to.

The Way Out.

Consideration of the Bill was resumed on 27th October, when:—

The Leader of the House moved a new amendment to add at the end of the clause the following words:—

“Except that the provisions of Section 24 of the Pilotage Act, 1913, shall continue to apply to the renewal and issue of certificates entitling a master or mate of French nationality to navigate his ship into the ports of Newhaven and Grimsby.”

He said the Government had no alternative to accepting, in one form or other, words making it clear to the French Government and the French people that they intended to adhere to the agreement. He had the authority of the Law Officers for saying that by no method, except by a new Act of Parliament, could the privilege which was given to the French under that amendment be extended in any direction whatever as regards pilotage. It was the desire of hon. Members that there should be reciprocity. “A British ship going into a French port under this arrangement,” he remarked, “pays precisely the same dues, including what is paid for pilotage, as are paid by a French ship in the same position. Could you by any possibility have greater reciprocity than this as a question of a practical arrangement—that the British ships are treated in precisely the same way as French ships are treated under precisely the same conditions in British ports?”

Following a brief debate the House agreed to the amendment without a division.

The Report stage of the Bill occupied the attention of the House at three further sittings and important amendments were agreed to, including proposals further restricting the employment of aliens in the British Mercantile Marine.

Right of Asylum.

When the Bill came up for third reading on 18th November,

Captain Wedgwood Benn (Independent Liberal, Leith) moved the following amendment:—

This House, whilst willing to provide the executive with the fullest powers necessary to deal with dangerous and undesirable aliens, declines to give a Third Reading to a Bill which by its own provisions and the reprisals they may excite checks the growth of our overseas trade; which clogs that free intercourse with foreign nations by which in art, science, literature, and religion this country has greatly gained; which impairs the British tradition of right of asylum; and which forms an obstacle to international goodwill and a hindrance to the work of the League of Nations.

Colonel J. C. Wedgwood (*Labour, Newcastle-under-Lyme*) supported the amendment.

The Home Secretary, in reply, said there was not a single provision in the Bill which prevented any alien coming to this country, if he was a decent and respectable person. The provisions with regard to aliens as a whole were no more severe than those in other countries. It was impossible to have restrictions of this kind without some degree of inconvenience. Captain Benn had talked of reprisals. What reprisals could any other country inflict upon them which they were not already preparing?

Captain Benn: "What about Turkey?"

The Home Secretary: "Turkey has not a government, or anything of the kind yet."

Captain Benn: "Does the right hon. gentleman really suggest that the Turkish Government will pass an Act to deport all Englishmen from Turkey?"

The Home Secretary: "They will be perfectly entitled to do it, and I have no doubt they may do so, or they may take the same steps we are taking and provide that only those should be deported who ought to be deported. This Bill has two main objects. It aims at keeping out the undesirable alien for all time, no matter where he comes from. Then there is a very limited provision to keep out former enemy aliens until we can reconsider the question and see how far it is possible to let them come back in the future. This measure is directed for a limited time against former enemy aliens and for all time against the undesirable alien."

The amendment was negatived, and thereafter the third reading was agreed to.

AMENDMENTS IN THE LORDS.

A number of amendments to the Bill were made in the House of Lords during discussion in Committee on 9th December.

As the Bill left the Commons, Clause 2 contained a paragraph sanctioning the prolongation for six months after the termination of any war in which this country was engaged of the internment of persons who during the war had been interned as alien enemies.

Lord Parmoor moved the omission of the paragraph.

The Lord Chancellor (*Lord Birkenhead*) remarked that the provision was necessary at the time of the introduction of the Bill, because there was still a considerable number of interned prisoners of war, and the power to retain them in case of necessity was somewhat uncertain. There were now

no such prisoners, and, unless in the immediate future internment should again become necessary, the paragraph would be without value.

The amendment was agreed to.

Deportation of Enemy Aliens.

Lengthy discussion took place on Clause 9, which, as passed by the House of Commons, provided that every former enemy alien in the United Kingdom should be deported forthwith unless he made within two months after the passing of the Act application to remain and was granted a licence to do so.

Lord Newton moved as an amendment that a former enemy alien should be deported unless an advisory committee should recommend the Home Secretary to grant him a licence to remain. Describing the clause as unworthy of the nation, he said it would react in a very unfavourable manner on British subjects in the enemy countries affected. Under his amendments all that an advisory committee would have to inquire into would be the cases brought specifically to their notice, while under the Bill as it stood the committee to be appointed would be bound to inquire into the cases of all the aliens concerned, although in nearly every case inquiry would be superfluous and unnecessary. With his amendment the clause would be workable, and become just instead of unjust.

Lord Buckmaster remarked that the country needed, and was entitled to ask for, protection ; but they were not entitled to punish a large number of perfectly innocent and harmless people, as would be done by the Bill. He asked their lordships to consider the question of the 8,000 Austrians who were engaged in teaching a foreign language. Were we to be compelled either to have this language taught in the future by people who knew nothing about it, or not have it taught at all ? He regarded the Bill as one which would do eternal shame and dishonour to our legislation.

Not Un-Christian.

The Lord Chancellor could not admit that the proposal in the Bill was unnatural, inhuman, or even un-Christian. Was there a noble lord present who, if he were invited to a social function that evening and was informed that a typical German was to be present, would not immediately cancel the engagement ? What, then, was the good of indulging in the hypocrisy of speaking with their lips phrases which had no correspondence with the feelings of their hearts, and talking of goodwill when they had no goodwill ? After the torpedoing in the Channel of a hospital ship full of wounded soldiers

and devoted nurses, Mr. Balfour made use of the phrase "beasts they were and beasts they will remain."

At that very moment before their eyes the Germans were trying to repudiate the terms of peace to which they agreed, and were openly saying that they had no responsibility for the sinking of the battleships at Scapa Flow when we had discovered the whole instructions given to the Admiral which resulted in their destruction. He would add to Mr. Balfour's phrase by saying "Liars they were and liars they have been throughout the whole course of the war." He did not like a man who could be described as a beast and a liar if he was an Englishman, and he saw no reason why he should like him if he was a German. We had lost the brilliant youth of this country, and the country itself had been reduced to an economic condition which would last all their lives and the lives of their lordships' sons. All that had happened by the deliberate act of the German Government and nation. Why, then, did honour require that we should keep these people here?

After further speeches, the amendment was agreed to, amid cheers.

Condition of Landing.

Clause 10 provided that no former enemy alien should for a period of three years be permitted to land in the United Kingdom "either from the sea or from the air," without the permission of the Home Secretary, to be granted only on special grounds.

Lord Phillimore moved that such a person should be permitted to land if provided with a passport issued by a competent authority of his own country and bearing the *visé* of a British Consul. The noble lord argued that we needed to do business with our former enemies, and asked how was commerce to be carried on if no German or other enemy alien was allowed to land in this country without the Home Secretary's permission. It would be impossible for a commercial traveller to get to work under such conditions.

The Earl of Onslow pointed out that the object of the clause was to subject former enemy aliens to more stringent restrictions than were imposed on other aliens, and the amendment would defeat that object.

The amendment was agreed to, but on the Report stage a proposal was carried to the effect that permission to enter should be given by the Home Secretary on special grounds only. The permission to land and to remain in this country is limited to three months, but is renewable from time to time for a like period.

One of the provisions of the Bill struck out by their Lordships in Committee conferred on the Home Secretary power to direct that, in the interests of public safety, the provisions of the Act relating to former enemy aliens should be applicable to other aliens.

COMMONS AND AMENDMENTS.

When the Commons considered the Lords' amendments some of them were rejected by the Lower House, but the Lords, subsequently, decided to insist on them. The question was again before the Commons a few days prior to the Prorogation and vigorous speeches were made on the subject of the alterations effected in the Bill by the Upper House.

The Attorney-General (the Right Hon. Sir Gordon Hewart), dealing with the deportation Clause, said that as the Bill left the House of Commons there was to be a universal rule that the former enemy alien would be deported forthwith, subject to certain exceptions, unless he obtained a licence to remain. In the form in which the Clause came back to that House from the Lords the alien was not to be deported, again subject to certain exceptions, unless complaint was made and was established against him. The question arose whether the alterations made in the Clause were of so vital a character that, rather than accept them, the House of Commons was prepared to sacrifice the Bill. He suggested that the proper course was to accept, with whatever reluctance, the course which had been taken in the House of Lords.

Sir John Butcher (Coalition Unionist, York), said that the change was deliberately designed to let every German remain here subject to no deportation at all. If the Bill had consisted only of the clause relating to the deportation of former enemy aliens he would gladly consent to the wrecking of the measure rather than yield to the coercion of the House of Lords. But it contained many other valuable provisions and rather than inflict grave injury upon large sections of British subjects he would accept the advice of the Attorney-General.

Sir Herbert Nield (Coalition Unionist, Ealing) said that a little coterie of Peers, saturated with sentimentalism, had deliberately wrecked the important parts of the Bill. "If I had my way," he added, "they should wreck the whole Bill."

In the result the House decided—by 124 votes against 31—to accept the changes made by the House of Lords, thus leaving the way open for the Royal Assent to be given to the measure on the day of the Prorogation.

ELECTRICITY SUPPLY ACT.

The Electricity (Supply) Act, one of the important measures in the Government's programme of reconstruction, received the Royal Assent on the last day of the Session. The main object of the Act is to re-organise the supply of electricity for industrial purposes.

The Act provides for the appointment of five Electricity Commissioners (of whom three are to be whole-time officers) to promote, regulate, and supervise the supply of electricity. Three of the Commissioners are to possess practical commercial, and scientific knowledge and wide business experience, including that of electrical supply.

Power is given to the Board of Trade to exercise, through the Commissioners, any powers and duties possessed under the Electric Lighting Acts or local Acts relating to electricity supply. The Commissioners are authorised to conduct out of public funds experiments or trials approved by the Board for improving the methods of electric supply or of the utilisation of fuel.

Advisory Committees may be appointed by the Commissioners, consisting of chairmen or other members of joint electricity authorities established under the Act, or other specially qualified persons, whose representations are to be taken into consideration.

Reorganisation of Supply.

Power is conferred on the Commissioners provisionally to determine that any district in the United Kingdom shall be constituted a separate electricity district, the areas included to be grouped in the manner most conducive to efficiency and economy of supply and convenience of administration. The area of the electricity district is not to be determined, if objection is taken, until a local inquiry has, after due notice, been held.

If the Commissioners are of opinion that the supply organisation in any electricity district should be improved they must give notice of a local inquiry and afford authorised undertakers, county councils, local authorities, railway companies using or proposing to use electricity for traction purposes, large consumers, and other interested associations or bodies in the district, an opportunity to submit a scheme or schemes for improvement.

Should no scheme be forthcoming the Commissioners may themselves formulate one.

A scheme may provide for the establishment of a Joint Electricity Authority representative of authorised undertakers within the electricity district, either with or without the addition of representatives of the county council, local authorities, large consumers of electricity and other interests; for the exercise by the authority of the powers of the authorised undertakers; and for the transfer to it of the whole or part of the undertakings of any of the undertakers, provided that:—

No scheme shall provide for the transfer of any part of an undertaking without the consent of the owner.

Powers and Duties.

It is the duty of a Joint Electricity Authority to provide or secure the provision of a cheap and abundant supply of electricity within their

district. For that purpose powers and duties are conferred on them with respect to :—

Supply of electricity within their district, including the construction of generating stations, main transmission lines, and other works.

Acquisition of the undertakings, or parts of the undertakings, of authorised undertakers.

A Joint Electricity Board may, with the consent of the Electricity Commissioners, acquire, by agreement with the owners, any generating station or main transmission line.

NOTE.—As the Bill left the House of Commons it contained compulsory powers for the establishment of District Electricity Boards, as well as for the acquisition of generating stations or transmission lines, whether owned by local authorities or companies. These powers were deleted, on the initiative of the Government, during the passage of the measure through the House of Lords, and the House of Commons agreed to the amendments so made.

DEBATE IN HOUSE OF COMMONS.

The Bill was introduced formally in the House of Commons and read a first time on 8th May.

The Home Secretary (The Right Hon. Edward Shortt) moved the second reading on 14th May and explained that the main object of the Bill was to reorganise the supply of electricity for industrial purposes. He pointed out that electricity was, comparatively speaking, a young industry and that the legislation dealing with it was passed at a time when experiment had not discovered all that had since been learnt regarding it. The present state of things was that there existed a very large number of small electrical concerns, each feeding a small area, not chosen because of its peculiar adaptability, but simply because of its boundaries for local government. There were, in fact, some 600 different electrical works in this country.

“ We have these large numbers of different companies,” said Mr. Shortt, “ with their own expenses, no co-ordination, and no co-operation, and we have, in addition, a diversified number of systems of generation and distribution, all of which go to bring our electrical system into a state of chaos, from which we hope to rescue it.” The Home Secretary remarked that even before the War big consumers were calling out for a cheap, efficient, and secure supply of power, which could only be obtained by co-ordination. A large concentrated plant meant that they were able to generate electricity with a great saving of coal and to secure a much higher load factor. An efficient supply of electricity for agriculture and every other industry must be assured if the post-war programme of reconstruction was to be carried out.

Solving Health Problems.

The Right Hon. Sir Donald Maclean (Leader of the Independent Liberal Party in Parliament) said the general case for the Bill had been thoroughly made out. If the further development in the use of electricity could be thoroughly widespread, especially in crowded urban areas, it would go a long way to solve some of our most pressing health problems. If they could get rid of the smoke nuisance they would do a great deal on behalf of the public health. The real usefulness of the new boards would depend on whether consumers could get the power cheap enough. If not, it would not be used. If the undertaking were overloaded at the start by great capital charges it would take a very long time to make the concern a profitable business and an economic venture.

Major H. Barnes (Independent Liberal, *Newcastle E.*) moved an amendment for the rejection of the Bill on the ground that it proposed to take powers from local authorities and transfer them to boards created by other methods than that of popular election. This was seconded by Mr. T. Thomson (Independent Liberal, *Middlesbrough, W.*), but when a division was challenged only one Teller could be obtained, and the amendment accordingly lapsed.

The Bill was committed to a Standing Committee, at whose hands it underwent a prolonged examination and considerable amendment. It was further amended on the Report stage and, after third reading, was sent to the House of Lords on 27th November.

DEBATE IN HOUSE OF LORDS.

The Bill was subjected to criticism in the Upper House when it came on for Second Reading on 3rd December.

The Lord Chancellor (Lord Birkenhead) stated that there had seldom been put before their Lordships a Bill characterised by greater unanimity on the part of the very competent and experienced persons whose duty it was to advise the Government.

Lord Downham directed the attention of the House to the question of finance. It was argued in support of the Bill, he said, that if the Government set up Electricity Commissioners and District Electricity Boards all over the country the people would have a cheap and abundant supply of electricity. What was there, he asked, to justify such a hope? Sixteen super-generating stations, managed presumably by super-men, were to be erected. They would cost £6,000,000 each. The main transmission lines and the transforming apparatus would cost at least another £50,000,000, making a total capital sum of £150,000,000. At what price was that

to be raised? An electricity company on the North-East coast was offering 7 per cent.—which indicated how difficult it was to get these large sums at present.

Opponent of Nationalisation.

The noble lord said he was an opponent of Nationalisation, which would never get the best for the people out of the country's industries. If treated with justice the electrical undertakings would be willing to come together and provide schemes whereby small stations would be scrapped, larger stations would be operated in combination, and the best use generally would be made of the undertakings in order to ensure the most efficient supply of electricity that was possible.

Lord Moulton submitted that the Bill would not only nationalise the industry, but bureaucratised it. Surely the policy ought to have been to postpone these grandiose schemes until the normal industry of the country had received what it stood in need of! To select for nationalisation an industry not specially suitable for Government handling seemed to require more defence than it had received. He felt, not that the clauses of the Bill needed verbal amendment, but that the policy upon which the measure was based was a retrograde and injurious step in the history of British industrial life.

Viscount Midleton urged that, in the present dangerous condition of the country, they ought to know what they were going to get before they entered upon another vast field of expenditure.

The Second Reading was agreed to at a later date. Before the House went into Committee on the Bill,

The Lord Chancellor made a statement on behalf of the Government. He said that when he discovered that the number of Peers who felt anxious about the measure was considerable, and included some who carried most weight in that House, he had to consider what were the prospects of the measure. In view of the late period of the Session at which they had arrived, the Government proposed that only one portion of the Bill would be proceeded with by their Lordships in the present Session. He had, accordingly, put down amendments to cut out of the Bill, first, all the compulsory powers for the establishment of district electricity boards; secondly, all the compulsory powers for the acquisition of main generating stations, or main transmission lines; and, thirdly, the financial clauses except that which provided for emergency power stations.

The Government's amendments were accepted in Committee, and the Bill was subsequently passed through its remaining stages.

LORDS' AMENDMENTS IN COMMONS.

When the Lords' amendments were considered in the House of Commons on 22nd December, the new situation in connection with the Bill was explained.

The Home Secretary intimated that the Government had no intention, if they could help it, of losing a single provision of the Bill as it left the House of Commons. They agreed to the arrangement that the Bill should be divided upon the clear understanding that it was merely a postponement, and that as soon as the House reassembled they should reinstate that portion of the Bill suspended for the present, and reintroduce it at once into the House of Lords. What the Government proposed to ask the House to accept was this: That they should have the powers given to them to set up the Electricity Commissioners, upon whom would fall the duty of co-ordinating and setting up a general national policy for electricity supply. The Commissioners would have the power at once to set to work and provide the country with the appropriate areas. They would be entitled to hold all the necessary local inquiries, to consider how far any area was properly provided with electricity, and how far it was possible to set up a Joint Electricity Authority in any area to carry out the necessary improvements.

In addition they would have power to the extent of £20,000,000, to take in hand at once the construction in any area of generating stations which were found to be essential, and could not be set up either by the adjacent authority or any local authority. They would be able to restrict the building of further works by any other public or private authority who were authorised undertakers which would add materially to the public expense when the suspended provisions were carried into effect. The Commissioners would, in fact, have ample work to keep them fully occupied until the suspended portions of the Bill had passed through the House of Lords.

After some debate the Lords' amendments were agreed to, and the Act subsequently received the Royal Assent in the form described.

HOUSING ACT.

Before Parliament adjourned for the Autumn Recess, a Housing Act was passed which imposed upon local authorities throughout the country the duty of submitting to the Ministry of Health schemes for the provision of houses in their areas, and, after approval, carrying them into effect. During the

Autumn portion of the Session an amending Act was placed on the Statute Book which provides that :—

The Minister of Health may make grants* to any persons, or bodies of persons, constructing houses which comply with certain prescribed conditions, and are certified by the local authority, or, on appeal, by the Minister, to have been completed in a proper and workmanlike manner.

Construction of such houses is to be completed within twelve months from the date of the passing of the Act, or such further period, not exceeding three months, as may, for special reasons, be allowed. Failure to complete within twelve months is to entail a proportionate reduction in the grant unless the Minister is satisfied that it is due to circumstances beyond the control of the builder.

Where in the opinion of a local authority the provision of dwelling accommodation is delayed by the employment of labour or materials in the construction of works or buildings other than those authorised by Act of Parliament, and their construction is of less public importance for the time being than the provision of dwelling houses, the authority may temporarily prohibit such construction. A right of appeal is given against an order made by a local authority. Failure to comply with the provisions of an order is punishable by a fine not exceeding £100, or £50 for each day in the case of a continuing offence.

Prohibition of Demolition.

Demolition of dwelling-houses, reasonably fit, or reasonably capable without reconstruction of being rendered fit, for human habitation, is prohibited without the permission of the local authority, the penalty for an offence under the section being a fine not exceeding £100, or imprisonment up to three months, or both. In this case also a right of appeal is given against a refusal of permission to demolish.

Power is conferred on any local authority (including a county council) to borrow money for the purposes of the Housing Acts, with the consent of the Minister, by the issue of local bonds, secured upon the rates, property, and revenues of the local authority, and issued in denominations of five, ten, twenty, fifty, and one hundred pounds for periods of not less than five years.

* In a White Paper issued by the Ministry of Health, giving an estimate of the probable expenditure under the Act, it was stated that the aggregate amount of the grants to private builders will not exceed £15,000,000. The greater part of this will require to be provided in 1920-21. The amount of the payments is to vary with the accommodation provided, and they will, in the first instance, be as follows :—

For a cottage containing living room, parlour, and three or four bedrooms, and comprising not less than 920 feet super. of floor area ..	£160 per house.
For a cottage containing living room and three bedrooms, and comprising not less than 780 feet super. of floor area	£140 ..
For a cottage containing living room and two bedrooms, and comprising not less than 700 feet super. of floor area	£130 ..

No grant is to be made for houses with accommodation in excess of four bedrooms or which have a superficial floor area in excess of 1,250 feet.

Where a local authority, or two or more authorities jointly, or an authorised Association, are prepared to acquire land for the purpose of a garden city or a town-planning scheme, the Minister may acquire the land on their behalf either by compulsion or by agreement.

Subject to certain modifications the Act applies to Scotland and Ireland.

The question of the Government's housing policy was fully discussed in the House of Commons on 21st November, when the new scheme was outlined for enlisting the aid of private builders in the erection of houses. During the debate,

The Minister of Health (the Right Hon. Dr. Addison) denied that the national housing scheme had failed, and reminded the House that they were dealing with 1,800 authorities, none of whom had ever been responsible before for actual house-building. The Act became law only on 31st of July—that was four months previously. In the meantime the Ministry of Health had approved 24,000 acres of land, properly laid out and planned for housing. A further 24,000 acres had been surveyed by the authorities, and most of it, he had no doubt, would be accepted. The total of 48,000 acres was land enough for the whole of the 500,000 houses in the programme.

Mr. W. Graham (Labour, Edinburgh, Central): "Not quite."

The Minister of Health: "Yes, it is; you have to allow for twelve houses per acre." Continuing, the right hon. Gentleman said that a great many plans had been agreed upon, and many streets had been started, but of course the land had not been laid out. Dealing with the causes of delay, he laid special stress on the fact that the man-power of the building industry was 200,000 short, and probably more. The high cost of building materials and the difficulty of raising the necessary loans were also handicaps to the local authorities.

The New Scheme.

Outlining the new proposals of the Government, Dr. Addison said that an agreement had been come to with house-builders under which any person who built a house of an approved type would receive a subsidy in respect of it; but it must be certified to be a house fit for habitation. "Nobody recognises more than I do," he remarked, "the objections which may well be brought against this proposal, but the fact is that we were not receiving the aid of these builders, and there was no likelihood of our receiving it. They were engaged in repair work all over the country, and there is a mass of it still to do. It was clear, therefore, that some scheme must be devised whereby their aid could be secured. We have discussed this with great care, and the House may be assured

that we are not going to subsidise houses which are not decent houses. I would never have agreed to this if I had thought it was going to undermine or arrest the local authorities' scheme. But it is quite clear that you are bringing in a different class of builder altogether, who never builds by contract, and who will not, except in exceptional cases, build by contract for local authorities."

It had been agreed, Dr. Addison stated, that the whole force of the Builders' Federation in every district should be brought to bear on all the builders. The agreement was that each man would take his fair share of housing, whatever other orders might be before him. With regard to the national scheme, he said the fact that they had got 1,270 authorities to survey their housing needs not for a day, but for the future, including the reclamation of the slums, was a great achievement, pregnant for the future good of the country. The Government proposed to stand by the scheme, and would be no partners to delivering the country again to a sporadic, ill-directed, casual system of housing which had given them slums in every town in the Kingdom, which were a degradation, and which had condemned multitudes of people, with good air all around them, to live in places that were unfit for human habitation.

The Right Hon. E. G. Pretyman (Coalition Unionist, *Chelmsford*) thought that an initial mistake in policy was made when it was decided that the whole question should be undertaken by the local authorities and the State rather than rely in the first instance on the building trade which had supplied the necessities of the nation in the past.

The debate took place on a formal motion for the adjournment of the House.

The Bill Discussed.

On 8th December the second reading of the Bill embodying the Government's supplementary scheme, was taken in the House of Commons.

The Minister of Health said the granting of public money to a private individual was clearly not generally acceptable, but the criticism that by getting a gift a builder would be able to profiteer in the building of houses was based on a misunderstanding of the present position. If it paid men to build houses now they would be building them, but the fact was that there was no market for them at the present cost of erection. It was originally proposed that there should be a fixed allowance per house with a maximum of £150, but after examination it had been decided to give a subsidy on a sliding scale. In the case of a cottage containing a living-room, parlour, and three or more bedrooms, built at

a cost of £923, the subsidy would be £160 ; in the case of a smaller cottage without a parlour it would be £140 ; and in the case of a still smaller cottage, with one or two bedrooms less, the subsidy would be £100. It would work out at an average of a little less than £150.

His department had received a large number of offers from public utility societies and kindred bodies to build a greatly increased number of houses under the new proposals, and he had no doubt that a very large number of very good, well-built houses would be obtained by that means. Already a goodly number were being built by those societies, on the experimental plan adopted in the early stages. Nearly all these societies were great employers of labour, or great firms which must have the houses anyhow. As there would be very little or no return on their share capital in respect of those houses, it was now proposed that for the first seven years the grant towards loan charges should be 50 per cent., and thereafter 30 per cent., as in the case of the existing scheme.

Rejection Moved.

Mr. T. Thomson (Independent Liberal, Middlesbrough, W.) moved the rejection of the Bill on the ground that it continued a policy of using public necessity as the opportunity for subsidising private interests, permitted the relaxation in favour of landowners and speculative builders of regulations enforced on local authorities, lowered the standard of housing, and delayed the operation of the Act passed earlier in the Session.

Major H. Barnes (Independent Liberal, Newcastle, E.), who seconded, argued that the Government would not get the results they expected from the Bill, which would delay progress on the part of the local authorities.

The Right Hon. Lord Robert Cecil (Coalition Unionist, Hitchin) remarked that it was common knowledge that local authorities could not build so cheaply as private enterprise. Whatever were the hopes engendered by the Housing Act of last summer, the fact was that the figures had shown that the local authorities could not get an economic rent unless they were going to raise rents to a fantastic point beyond what any rural labourer could be asked to pay.

The amendment was rejected and the Bill was read a second time.

On the Committee Stage there was lengthy discussion and the House had an all-night sitting on the measure, but it was not amended to any substantial degree. It had a rapid passage through the House of Lords and received the Royal Assent on the last day of the Session.

INDUSTRIAL COURTS ACT.

The Industrial Courts Act* received the Royal Assent on 20th November. It provides for the establishment of an Industrial Court and Courts of Inquiry in connection with trade disputes. The measure enacts that :—

There shall be a standing Industrial Court consisting of persons appointed by the Minister of Labour. These are to include independent persons, representatives of employers and workmen, and one or more women.

Where a trade dispute exists, or is apprehended, the Minister may, if both parties consent, refer the matter for settlement to the Industrial Court ; or to the arbitration of one or more persons appointed by him ; or to a board of arbitration nominated equally by employers and workmen, with an independent chairman.

Where arrangements exist in any trade or industry for settlement of disputes by conciliation or arbitration these are first to be resorted to.

The Minister is empowered to inquire into the causes and circumstances of a dispute, and to refer any matters relevant to it to a Court of Inquiry appointed by him, which can sit either in public or in private.

The report of a Court of Inquiry (including any minority report) is to be laid before both Houses of Parliament, provided that :—

There shall not be included in any publication authorised by the Court or the Minister any information obtained by the Court in the course of their inquiry as to a trade union or an individual business, which was not available otherwise than through evidence given at the inquiry, except by consent of the parties concerned.

The provisions of the Wages (Temporary Regulation) Act 1918, are continued in operation until the 30th of September, 1920.

DEBATE IN HOUSE OF COMMONS.

Moving the second reading of the Bill in the House of Commons on 6th November,

* In the *Journal of the Society of Comparative Legislation* (3rd Series Volume II., page 72), an article is contributed by Sir Lynden Macassey, K.C., on the "Industrial Courts Act," which, the author says, marks an important advance in English industrial legislation. He points out that in Great Britain and Ireland we have arrived at that stage of industrial psychological development, which will accept conciliation but not compulsory arbitration ; in Australia, New Zealand and Canada, compulsory arbitration is on the Statute Book, but no one who knows the real circumstances will say it is in effective operation. Following, no doubt, the Colonial precedents, the Government's first draft of the Bill for the Industrial Courts Act provided for compulsory arbitration. That proposal, however, did not long survive the storm of trade-union opposition. Indeed, any such proposal is logically unsound as long as the Trade Disputes Act, 1896, remains law.

The Minister of Labour (the Right Hon. Sir Robert Horne) pointed out that the system of arbitration provided for was entirely voluntary, but he did not agree that on that account it would not be worth much. Compulsory arbitration had not been such a complete success in other countries as to justify the Government—at the present moment, at any rate—in forcing it, even supposing that they believed in it. He did not think it was a great exaggeration to say that in Australia, where it had been in vogue now for a considerable time, it had proved a failure. Even in Canada, where a less stringent measure had been in force, it had no conspicuous success. The reason why he thought that kind of measure had failed in Australia and in Canada was because the people were not ready for it. Legislation would not ultimately prove effective if it was in advance of the spirit of the people.

They should foster the arbitration spirit—encourage every means by which people would voluntarily agree to settle their disputes by reference to an Arbitration Court, rather than by violence or strikes. There had been 853 arbitrations in this country during the last eleven months, although arbitration had not been compulsory upon the men, and they had not been compelled to obey its decisions. He looked for the most beneficent results from the action of the Industrial Court, not only in the direction of systematising wages in this country, but also in eliminating violence from industrial disputes. As regarded the establishment of a Court of Inquiry, everybody had felt the need, in cases where grave disputes had arisen, of some method by which an inquiry could be taken up that would enlighten the whole of the public upon the issues at stake.

A Better Atmosphere.

The compulsory part of the Canadian plan had really broken down in the most recent instances, but the part which had dealt with inquiry and the enlightenment of the public mind had certainly gone a long way towards preventing many disputes from taking a violent course. He believed that the Bill would bring a better atmosphere and a happier spirit into their industrial relations.

The Right Hon. J. R. Clynes (Labour, Manchester) suggested that it would have been better had the Government dealt with the continuance of the guarantee of the rates of wages which war conditions had compelled employers to pay separately from the other proposals. Labour objected strongly to a provision in the Bill compelling people to bring their books and documents to the Court when once an inquiry had been instituted. He urged the view that once arbitration was accepted, once the two parties went into the Court, it

was essential that both should go out of it willing to accept whatever award for the time being was given. The word of the trade union leader, the signature of the accredited official, should be a bond which the mass of the men for whom they were acting agreed to recognise, and would, in fact, recognise as an obligation of honour. Labour was not opposed to the spirit of this legislation.

The Parliamentary Secretary to the Ministry of Labour (Mr. G. J. Wardle) explained that the Bill did not interfere with any of the machinery at present in operation between trade unions and employers, or between employers and employés, or, indeed, with any of the machinery of Whitley Councils or trade boards.

The Bill was read a second time without a division, and, after passing through other stages in the course of which it underwent amendment (including deletion of the proposal objected to by Mr. Clynes), was read a third time on 17th November without dissent.

DEBATE IN HOUSE OF LORDS.

There was only brief debate on the second reading of the Bill in the House of Lords on 18th November.

Lord Askwith hoped that the measure would result in the establishment of permanent Courts, to which Ministers of the Crown would insist that claims by workpeople should be remitted, and that they would not discredit their own Courts by interfering in the matter themselves. That part of the Bill relating to the Courts of Inquiry was to a certain extent, he thought, gleaned from the Canadian Act, commonly called the Lemieux Act. Some of the clauses in the Canadian Act which were considered to be difficult to work had been omitted from the Bill, but as a matter of fact in practical working he was not sure that they were of any great importance. For instance, the taking of evidence upon oath, or the non-production of documents being treated as contempt of Court, were not very practical matters when they came to the actual hearings. He did not know that he could recall any instance in which employers had not been willing, either by offering themselves or at the request of the Court, to produce any book that the Court desired to see; and as to evidence upon oath, any witnesses who were heard could always be checked by the statements of other witnesses, or by the statements of the employers against them.

The Bill was passed through its remaining stages at subsequent sittings without discussion or amendment.

*UNEMPLOYMENT INSURANCE BILL.

When the Out-of-Work Donation Scheme established shortly after the Armistice came to an end—so far as concerned civilians—towards the close of November, the Government stated their intention to introduce legislation providing for contributory unemployment insurance in practically all trades. A Bill to carry out this promise was introduced by the Minister of Labour (the Right Hon. Sir Robert Horne) on the last day of the Session and was read a first time. The Bill will be re-introduced in the next Session of Parliament.

There is at present in operation a State scheme of Unemployment Insurance under the National Insurance (Unemployment) Acts 1911 to 1919, which is confined to manual workers in certain trades and covers about three and a half million workpeople. The rate of benefit for both men and women under the existing scheme was originally 7s. a week, and has since 25th December, 1919, been 11s. a week. The funds out of which benefit is paid are provided by contributions from employers, workers and the State. The weekly contribution from employers and workers is 2½d. each, and the State adds one-third of the total amount of these contributions.

Provisions of the Bill.

A Summary of the new proposals is appended :—

The Bill proposes to extend insurance against unemployment, on a contributory basis, to substantially the whole employed population between the ages of 16 and 70 (i.e., broadly speaking, to all who are included in the State scheme of Health Insurance) with certain exceptions.

The total number of workers, manual and non-manual, to whom the scheme will apply is estimated at about 11½ millions. An opportunity is given for industries to contract out of the general scheme by setting up "special schemes" of their own, giving equal or superior advantages, such as may be approved by the Minister of Labour; or the Minister may, if he thinks fit, set up a special scheme on his own initiative for any particular industry.

In industries which do not set up special schemes, the administrative work will in general be performed by the Ministry of Labour, but arrangements may be made for Trade Unions which pay unemployment benefit themselves to pay out the State benefit to their members on behalf of the Ministry. The scheme is to come into operation on the 1st October, 1920.

* In the King's Speech on the Prorogation of Parliament the following reference occurred to this Bill, the Minimum Rates of Wages Bill (see page 75), and the Hours of Employment Bill (see page 74) : "Proposals have been formulated for fixing a maximum number of hours of employment, for instituting a minimum wage, and for making increased provision against unemployment. I trust that at an early date they may receive the assent of Parliament."

Exempted Occupations.

The chief exceptions set out in the Bill are these :—

Agriculture (including horticulture and forestry) and domestic service (except where the employed person is employed in any trade for the purposes of gain).

In Ireland the scheme is limited to workmen in the trades insured against unemployment under the existing scheme.

Persons employed otherwise than by way of manual labour and at a rate of remuneration of more than £250 a year.

Employés of local or other public authorities, members of a police force, railway servants, or employés in other statutory undertakings, where such persons are entitled to rights under a statutory superannuation fund.

Certificated and student teachers in public elementary schools and certain other classes of teachers.

Employment of a casual nature otherwise than for the purpose of an employer's trade or business.

Crews of fishing vessels remunerated by shares in profits or earnings.

It is provided, however, that any or all of these exceptions may be brought subsequently within the scheme by the Minister of Labour, subject to the approval of the Treasury.

Contributions and Benefits.

The amount of unemployment benefit proposed is 15s. per week in the case of men, and 12s. per week in the case of women. Contributions of insured persons will be : in the case of men, 3d. per week from the employers and 3d. per week from the employed ; in the case of women, 2½d. per week from employers and employed respectively. Lower rates of contribution and benefit are proposed for boys and girls between the ages of 16 and 18. The State will contribute one-third of the combined contributions of employers and workpeople.

The annual cost to the Exchequer will be from £3,000,000 to £4,000,000.

* HOURS OF EMPLOYMENT BILL.

A Bill was formally presented by the Minister of Labour (the Right Hon. Sir Robert Horne) on 18th August to regulate the number of hours of employment, but was not further proceeded with during the Session. Its chief provisions are :—

The number of working hours (exclusive of recognised intervals for meals) in any week (known as the statutory working week) shall not in the case of any person to whom the measure applies exceed 48.

Power is given to vary normal hours or grant exceptions as follows :—

On the recommendation of a Joint Industrial Council, conciliation board, or trade board, or on an agreement arrived at between organisations of employers and workers in any class of employment.

* See footnote, page 73.

Where it appears to the Minister advisable that the statutory working should be varied, or a total or partial exemption granted, in respect of any class of employment.

Any hours worked by a person in excess of the statutory working week are to be regarded as overtime.

An agreement arrived at between organisations of employers and workers as to the extent to which, and the conditions under which overtime may be worked is to be submitted to the Minister for registration. Payment for overtime is in no case to be at a rate less than 25 per cent. in excess of the normal time rate.

The penalty for an offence against the provisions of the measure is a fine not exceeding £10.

The measure applies to all persons who work under a contract of service or apprenticeship with an employer, with certain exceptions, including :—

Members of the employers' own family dwelling and working in his house.

Domestic and outdoor servants except where employed in connection with any trade for purposes of gain.

Persons holding responsible positions of supervision or management, who are not usually employed in manual labour.

Any master seaman or apprentice of a sea-going ship.

Persons employed in agriculture, including horticulture and forestry.

In exercising his powers under the Bill the Minister is to have regard to any general recommendations by the National Industrial Council.

*** MINIMUM RATES OF WAGES BILL.**

For the purpose of constituting a Commission "to inquire into and report on minimum time rates of wages," the Minister of Labour (the Right Hon. Sir Robert Horne) brought in a Bill shortly before Parliament adjourned for the Autumn recess. This measure, like the Hours of Employment Bill, was not carried beyond the first reading. It proposes that Commissioners should be appointed by His Majesty for the purpose of :—

Inquiring into and deciding what the minimum time rates of wages should be, regard being had to the cost of living in the various districts.

Making recommendations as to the methods by which these rates should be brought into operation and the machinery by which they may be varied.

Inquiring into and making recommendations as to the granting of exemptions from the rates in the case of infirm and incapable workers, and in other exceptional cases.

The Bill empowers the Commissioners to require any person to produce documents, to attend as a witness, and to give evidence before them on oath. The penalty for failing to comply with an order to that

* See footnote, page 73.

effect, or giving evidence false or misleading in any material particular, is a fine not exceeding £50, or imprisonment without hard labour up to one month.

Authority is given to the Commissioners to appoint an accountant to examine the registers, wages sheets, balance sheets, profit and loss accounts, and other trade accounts of persons engaged in a trade or industry.

Safeguards are provided against the disclosure of information regarding individual businesses so obtained.

PATENTS AND DESIGNS ACT.

Put forward in the interests of reconstruction and of trade generally, this Act, which amends the Patents and Designs Act, 1907, took its place on the Statute Book on the last day of the Session. Its main objects—to quote the Lord Chancellor—are to prevent the abuse of patent monopoly, to encourage and reward inventors, and to secure the earliest possible use of inventions.

The Act provides that a person interested may apply to the Comptroller of Patents alleging that there has been an abuse of the monopoly rights under a patent and asking for relief. Monopoly rights are deemed to have been abused :—

If after four years from the date of the patent the invention is not being worked in the United Kingdom on a commercial scale, and no satisfactory reason is given for non-working.

If working is prevented or hindered by the importation of the patented article by the patentee or persons claiming under him, by persons directly or indirectly purchasing from him, or by persons against whom he has not taken proceedings for infringement.

If the demand for the patented article in the United Kingdom is not adequately met on reasonable terms.

If owing to the patentee's refusal to grant licences upon reasonable terms the trade or industry of the United Kingdom, or the establishment of any new trade or industry, is prejudiced, and it is in the public interest that licences should be granted.

If the conditions attached by the patentee to the purchase, hire, licence or use of the article, or to the using or working of the patented process, unfairly prejudices any trade or industry.

Licences of Right.

The Comptroller may, if satisfied that there is an abuse of monopoly rights, order the patent to be endorsed "licences of right," entitling any person as of right to a licence under the patent on agreed terms, or, in default, on terms settled by the Comptroller.

He may grant the applicant a licence on such terms as he thinks expedient.

If the expenditure of capital is required to work an invention on a commercial scale in the United Kingdom, the Comptroller may, unless the patentee will undertake to find the capital, grant an exclusive licence to a person able and willing to do so.

Further, he may order the patent to be revoked, either forthwith or after a reasonable interval.

A patentee may at any time have his patent endorsed "licence of right" and in the case of patents so endorsed only half the yearly renewal fees are payable.

The grounds of opposition to the grant of patent rights are extended and include the ground that the invention was published in any document available to the public before the date of application.

The term limiting the duration of patents is increased from 14 to 16 years, and Courts are given specific power for the extension of the term of a patent where the patentee, as such, has suffered special loss or damage as the result of the war.

Boon to Poor Inventors.

The Bill passed through the House of Commons before Parliament adjourned for the Autumn recess, but the second reading was not taken in the House of Lords until 12th November.

The Lord Chancellor (Lord Birkenhead) said the provisions of the measure had been framed after the most careful consideration by a special Committee, consisting of some of the principal legal and expert authorities on Patent Law. It had also been examined and approved of by the Advisory Commercial Council of the Board of Trade.

Dealing with the question of patent monopoly, the noble lord said it was a familiar observation that a monopoly, being contrary to the common right, could be justified only by some consideration which offered advantage to the public. The consideration which justified the grant of a monopoly to a new invention was not only to use it for the advantage of the public, but also to benefit the trade by new inventions being brought into commercial use during the period of the monopoly. The public were entitled to have a monopoly so framed and guarded that they were not deprived of that consideration. The whole question was dealt with in the Bill by a comprehensive scheme for the purpose of encouraging manufacture within the Realm and preventing the abuse of a patent monopoly.

It was hoped that the provision enabling a patentee to have his patent endorsed "licence of right" would be a great boon to the poorer inventor who could not find sufficient financial support, and who was often unable to place himself in touch with those who might be disposed to utilise his invention. It was also believed that it would be found an advantage to those manufacturers who desired to make an early use of important improvements in processes or machinery. The extension of the life of all existing patents for a period of two years would bring the period of protection in this country

into closer agreement with the period that was given in other countries which were parties to the International Convention for the protection of industrial property.

Domination of Trades.

Lord Parmoor thought that by far the greatest abuse of Patent Law was when the patentee sought to use the monopoly right which had been granted to him in order to get indirect and outside advantages. Unfortunately that tendency had been carried so far that the owners of patent rights had attempted to dominate large trades and industries. No provision against that monstrous abuse of monopoly right would be sufficient except one that rendered absolutely null and void any contract containing conditions which aimed at dominating particular trades or industries. It was no good giving a right of litigation to the persons injuriously affected, because it was a most costly matter to promote litigation against trusts and combines which dealt with questions of that sort. The abuse had been carried to a great length in the United States, and one case brought by the Government there went on for eight years at a most prodigious cost.

Lord Emmott said he could not find much in the Bill that would really encourage invention. True the period of a patent was extended by two years, and that was a concession in favour of inventors; but even so this country fell short of America. There was no reduction in fees, as advocated by many commercial men, except in the case of "licences of right." The demand most strongly put forward by important bodies of commercial men and experts was for a *moratorium* for the period of the war. So far as he could gauge the opinion of commercial men, there would be a deep feeling of injustice if the Government were unable to meet them in that branch of the question.

The Bill was read a second time and, after an interval, was taken through its other stages.

TRADE MARKS ACT.

An Act to amend the Trade Marks Act, 1905, was given the Royal Assent on 23rd December. It provides that:—

The register of trade marks kept under the 1905 Act shall be divided into two parts:—

Part A is to comprise all trade marks entered in the register at the commencement of the amending Act, and all trade marks registered subsequently under the principal Act.

Part B is to comprise all trade marks registered under the amending Act and marks removed thereto in accordance with the provisions of the Act.

Where a mark has for not less than two years been *bona fide* used in the United Kingdom upon goods (whether for sale at home or for export) to indicate that they are the goods of the proprietor of the mark by virtue of manufacture, selection, certification, dealing with or offering for sale, the proprietor may apply to the Registrar to have the mark entered in part B.

A mark may be registered in Part B, notwithstanding registration in Part A, by the same proprietor.

Registration of a person as proprietor of a trade mark in Part B shall be *prima facie* evidence that that person has the exclusive right to the use of that trade mark.

Where in the case of an article or substance manufactured under a patent a registered "word" trade mark is the only practicable name for it, all rights to the exclusive use of that trade mark are to cease on expiration of the patent.

No word which is the only practicable name or description of a single chemical element or compound is to be registered as a trade mark, and, if now on the register may, on application, be removed by the Court.

To Prevent Abuse of Marks.

During the passage of the Bill it was stated by the Lord Chancellor, on behalf of the Government, that the object of their proposals was to provide facilities for the registration in the United Kingdom of marks which, though not registerable under existing legislation, were nevertheless Common Law marks. It was also sought to prevent the abuse of word marks. The commonest form of such marks was the use by an owner of his word mark not for its proper purpose of distinguishing his goods from other people's goods, but for giving a name to an article. The effect of that was that, under the protection of the Trade Mark law, the owner obtained a perpetual monopoly of the manufacture of the article. An attempt had been made in the Bill to frame a complete scheme for the registration of Common Law trade marks. It was hoped the effect would be to state, in a compendious form, a convenient code which would be of assistance to practitioners and also to the general public who were interested in trade marks.

IMPORTS AND EXPORTS REGULATION BILL.

The Imports and Exports Regulation Bill was formally introduced in the House of Commons on 19th November by the President of the Board of Trade (the Right Hon. Sir Auckland Geddes). Its main objects are to constitute a Trade Regulation Committee; to regulate the importation of goods with a view to preventing dumping, safeguarding key industries

and industries affected by the depreciation of a foreign currency, and assisting the revival of hop-growing; to regulate temporarily the exportation of certain goods, and to authorise the granting of credits and undertaking of insurances for the purpose of re-establishing overseas trade.

The Bill provides for the constitution of the Trade Relation Committee as follows :—

The President of the Board of Trade, the Financial Secretary to the Treasury, the Under-Secretary for Foreign Affairs, the Secretary of the Department of Overseas Trade, the Permanent Secretaries of the Board of Trade, the Comptroller of the Department of Overseas Trade, and ten nominated members of the House of Commons.

Orders made by the Board of Trade under the Act prohibiting importation or exportation, or for other purposes, will, in the ordinary course, have to be submitted to and approved by the Committee.

Prevention of Dumping.

Part II. relates to the Prevention of Dumping. It is provided that :—

If the Board of Trade are satisfied that goods of any class or description produced or manufactured outside the United Kingdom are being imported, or are likely to be imported, systematically and in substantial quantities, or are being sold or offered for sale at prices below the foreign value, thus adversely affecting the production or manufacture of similar goods in the United Kingdom, they may make an order prohibiting the importation of such goods unless with the consent of the Commissioners of Customs and Excise.

The Board of Trade may at any time direct an inquiry to be held, at which evidence will be taken on oath.

Goods to which a prohibitive order applies may not be imported if the import price as ascertained by the Commissioners is less than the foreign value of the goods as stated in the sworn declaration to be made by the consignor. Importation of such goods will not be deemed illegal if the importer before clearance pays a sum equal to the amount by which the foreign value of the goods exceeds the import price.

Sale of such goods in the United Kingdom at less than the foreign value is prohibited, unless (A) the vendor pays to the Board the difference between the price charged and the foreign value: or (B) satisfies the Department that the reduced price is due to depreciation or other cause.

Power is given to apply the anti-dumping provisions to goods imported for manufacturing purposes in cases where the finished article is sold in this country at less than the foreign value. Agents in the United Kingdom to whom goods subject to the anti-dumping provisions have been consigned for sale must comply with the prescribed requirements as to storage, inspection, sales returns, and the furnishing of information. To this end premises and books may be inspected by an officer of the Board or of the Customs Commissioners.

The anti-dumping provisions do not apply to goods for re-export.

Key Industries.

Part III. confers on the Board of Trade power to prohibit the importation of certain goods for the purpose of safeguarding key industries and industries affected by depreciation of foreign currency. The Bill provides that save in certain cases any such prohibition may be imposed either without any limitation of time, or for such a period as may be specified.

Power is given to the Board of Trade to grant licences for the importation of prohibited goods, and in the event of refusal an appeal will lie to the Trade Regulation Committee. In determining whether licences are to be granted the Board are to have regard to whether the restriction of imports "has unduly raised or is likely to raise unduly" prices in the United Kingdom, and as far as practicable preference will be given to goods imported from other parts of the Empire.

Should the restrictions on certain classes of goods (including dye-stuffs, synthetic drugs, various organic chemicals and fine chemicals, and optical glass) have a similar effect on prices, the Board are empowered to fix the prices at which they may be sold in this country, whether manufactured here or abroad.

Overseas Trade.

For the purpose of re-establishing the overseas trade of the United Kingdom or any branch of it, the Board may, with the consent of the Treasury,

(A) Make arrangements for granting in connection with export trade credits up to an amount not exceeding at any one time the sum of £26,000,000 : and

(B) Undertake the business of the insurance (including re-insurance) of any goods where risks of an abnormal or exceptional nature are involved, and for that purpose fix and receive premiums.

This part of the Act will be deemed to have had effect as from 21st June, 1919. The powers of the Board with respect to the granting of credits may be exercised at any time within three years from 8th September, 1919, and their powers with respect to insurance at any time within three years from 21st June, 1919. It will be a term of every credit granted that any sums becoming due to the Board shall be repayable at some date not later than six years from 8th September last.

Stringent penalties are provided for infringement of the provisions of the measure.

No progress was made with the Bill after the formal first reading, but it has been announced on behalf of the Government that the proposals will be modified and the measure re-introduced in the Session of 1920.

SEX DISQUALIFICATION (REMOVAL) ACT.

One of the notable measures passed during the Session was the Sex Disqualification (Removal) Act, which was introduced by the Government in the House of Lords. The Act provides that :—

A person shall not be disqualified by sex or marriage from the

exercise of any public function, or from being appointed to or holding any civil or judicial office or post, or from entering, or assuming, or carrying on any civil profession or vocation, or for admission to any incorporated society, and a person shall not be exempted by sex or marriage from the liability to serve as a juror.

Regulations may, however, be made by Order in Council, for the following purposes :—

Providing for and prescribing the mode of the admission of women to the Civil Service, and the conditions on which women admitted to that service may be appointed to or continue to hold posts.

Giving power to reserve to men any branch of, or posts in, the Civil Service in any of His Majesty's possessions overseas, or in any foreign country.

A judge, chairman of quarter sessions, or recorder may order that a jury shall be composed of men only, or of women only, as a case may require.

A woman shall be entitled to be admitted and enrolled as a solicitor after serving under articles for three years only if she has qualified for certain degrees at universities.

Power is given to universities to admit women to membership or to any degree.

NOTE.—The section allowing women the privilege of qualifying as solicitors in three years, instead of five, if they have fulfilled the conditions and passed the examination which would have qualified them for degrees if they had been men, was inserted during the passage of the Bill through the House of Commons. The same explanation applies to the section empowering universities to admit women to membership.

Women and the Upper House.

During the Committee stage of the Bill in the House of Commons on 27th October, an amendment was carried to enable women who are Peeresses in their own right to sit and vote in the House of Lords. The amendment was moved by

Major Lloyd-Greame (*Coalition Unionist, Hendon*), who observed that apparently the House of Lords were perfectly prepared to pass a Bill entitling women to sit in the House of Commons, but they were not prepared to do the same with regard to their own House.

Mr. Spoor (*Labour, Bishop Auckland*) said that in a Bill introduced by the Labour Party and passed through the House of Commons earlier in the year, this point was definitely dealt with.

The Solicitor-General (*the Right Hon. Sir Ernest Pollock*) pointed out that the Bill had to go back to the House of Lords, and if an amendment of that sort were accepted they would be disagreeing with the other House on what, after all, was a comparatively small matter.

On a division the amendment was carried by 171 votes against 84.

The Lords Object.

When the Commons amendments came up for consideration in the House of Lords,

The Lord Chancellor moved to disagree with the amendment enabling Peeresses to become members of that House. He said the intention was sincerely entertained by the Government to introduce, at as early a date as their circumstances and the difficulties with which they had to deal permitted, proposals with the object of reforming the Second Chamber. "It would be very reasonable," remarked his Lordship, "if we were hopeful of continuing our existence as at present constituted, to say, 'Well, by all means we must recognise these new tendencies, and we must alter our old rules to bring them into harmony with what are usually referred to as modern requirements.' But we approach those who are good enough to make those proposals to us rather with the melancholy words on our lips, *Morituri te solutamus*: If we are to be abolished, I think that I would rather perish in the exclusive company of members of my own sex."

Example of the Commons.

Viscount Haldane said that if the amendment were accepted it would not enable women who were Peeresses in their own right to take their seat in that House. They could only do that if the terms of the Letters Patent or of the other document creating the peerage prescribed it, and if a Writ of Summons were issued. All they were asked to do now was to say that the principle which had been passed by enormous majorities in the House of Commons, and which was accepted by public opinion, had not an exception in the capacity of a woman being called to sit in that House. "Why should it?" Lord Haldane asked. "The Commons have opened their doors to women; why should not we open our doors to women?"

After debate the motion to disagree with the Commons amendment was agreed to.

When the question was again considered in the House of Commons,

The Solicitor-General moved that the House should not insist on its amendment and to this course the House assented.

CHURCH SELF-GOVERNMENT.

The National Assembly of the Church of England (Powers) Act received the Royal Assent on 23rd December. It gives

legislative force to a scheme, approved by two representative committees appointed by the Archbishops, for conferring a certain measure of self-government on the Church. The scheme provides for the establishment of a representative Church Assembly consisting of a House of Bishops, a House of representative clergy, and a House of elected laity. Legislative measures relating to any matter concerning the Church passed by the Assembly are, under the Act, to be dealt with as follows :—

Each measure shall be submitted to an Ecclesiastical Committee composed of 15 members of the House of Lords, nominated by the Lord Chancellor, and 15 members of the House of Commons, nominated by the Speaker.

After considering the measure the Ecclesiastical Committee shall report on it to Parliament stating its legal effect and the Committee's views as to its expediency, especially with relation to the constitutional rights of all His Majesty's subjects.

When the Ecclesiastical Committee has reported, the measure shall be laid before both Houses of Parliament, and on a resolution being passed by each House, shall be presented to His Majesty and have the force of an Act of Parliament after the Royal Assent has been signified.

Christian Co-operation.

The chief change effected in the Bill during its passage through Parliament was the substitution of the Ecclesiastical Committee of both Houses in place of a Committee of the Privy Council, as originally proposed. The views of Free Churchmen were voiced on the third reading in the House of Commons on 5th December by Sir Howell Davies and Sir Ryland Adkins, who joined in an expression of the desire that the Bill would give the Church of England greater opportunities for usefulness. Viscount Wolmer, who had charge of the measure in the Lower House, said, "I hope we have now inaugurated a new era of Christian co-operation in this country."

OLD AGE PENSIONS ACT.

An Act received the Royal Assent on 23rd December which amends in a number of important particulars the provisions embodied in the Old Age Pensions Acts, 1908 and 1911. The Schedule to the Act of 1908, prescribing the various rates of old age pension is repealed, and the following new scale is enacted :

Means of Claimant or Pensioner.	Rate of Pension per Week.
Where the yearly means of the claimant or pensioner as calculated under the Old Age Pensions Acts, 1908 to 1919 :—	

Do not exceed £26 5s.	10s.
Exceed £26 5s. but do not exceed £31 10s.	8s.
„ £31 10s. „ „ £36 15s.	6s.
„ £36 15s. „ „ £42 0s.	4s.
„ £42 0s. „ „ £47 5s.	2s.
„ £47 5s. „ „ £49 17s. 6d.	1s.
„ £49 17s. 6d.	No pension.

The statutory condition as to nationality has been amended, and under the new Act a person will fulfil this condition who satisfies the pension authorities that, for at least ten years (instead of twenty years as heretofore) up to the date of the receipt of any sum on account of a pension, he has been a British subject.

A person will not in future be disqualified for receiving or continuing to receive an old age pension by reason of the receipt of outdoor relief. A person who has become an inmate of a workhouse or other poor law institution will be disqualified, while he is an inmate, unless he has entered the institution for the purpose of obtaining medical or surgical treatment, in which case there is no disqualification for three months.

A person will not in future be disqualified for receiving an old age pension because of habitual failure to work, or by reason of being convicted of an offence, except during the actual period of imprisonment.

RATS AND MICE DESTRUCTION ACT.

By this Act the destruction of rats and mice is made a compulsory duty. Failure to comply with the provisions of the new law is an offence punishable by fine. The Act provides that :—

Any occupier of land who fails to take the necessary steps for the destruction of rats and mice, or for preventing his land from becoming infested with these vermin, is liable to a fine not exceeding £5, or if he has failed to comply with a notice requiring him to take such steps, to a fine not exceeding £20.

The duty of enforcing the Act is to be discharged by county councils and borough councils, and in a port sanitary district by the port sanitary authority. If a local authority fails to enforce the Act in respect either of land of which it is in occupation, or other land within its area, the Board of Agriculture is empowered to carry out the provisions of the Act at the expense of the local authority.

Similarly a local authority may enter upon the land of an occupier who has failed to take the required steps, destroy the vermin, and recover the cost from the occupier.

The provisions of the Act apply to ships, and a master of a vessel may be required by notice to take reasonably practicable steps to prevent the escape of rats and mice from a ship.

Heavy Damage to Foodstuffs.

The Parliamentary Secretary to the Board of Agriculture (Sir A. Griffith-Boscawen) said, on the second reading of the Bill in the House of Commons on 27th October, that 12 years ago Sir J. Crichton Browne estimated the value of foodstuffs destroyed by rats in a year at £15,000,000. During the war, however, the rat population had largely increased, and in the last year the amount of foodstuffs destroyed probably amounted to £40,000,000. It was not, however, only a question of the destruction of foodstuffs, as these vermin were dangerous to health and property. As far back as the year 1808 an Act was passed for the destruction of vermin, and the duty was placed upon the churchwardens and six parishioners of each parish. That Act had lapsed, and now the Government proposed to place a drastic measure on the Statute Book.

In the Lords.

The President of the Board of Agriculture (Lord Lee of Fareham), moving the second reading in the House of Lords on 11th November, said it was generally accepted that rats were specially injurious to agriculture and food production. They levied an enormous toll every year, not only on farmers, but on millers and grain merchants. In the case of the farmer it had been estimated that the money toll they took of him frequently exceeded his rent and taxes combined. Mice were an almost equally serious pest, and in Australia they had done untold damage to the stores of grain which had been purchased for the British Government during the war. It had been scientifically established that rats and mice—particularly rats—had been responsible for the spread of plague, dysentery, trichinosis, influenza amongst horses, and foot-and-mouth disease.

The measure was passed through both Houses without drastic amendment, and came into operation on 1st January, 1920.

CANADA.

The Dominion Parliament assembled for the Third Session of the Thirteenth Parliament on the 1st September, 1919, and was prorogued on the 10th November, 1919.

PEACE TREATY RESOLUTION.

On 2nd September, 1919, the Prime Minister moved the following resolution in the House of Commons :—

“That it is expedient that Parliament do approve of the Treaty of Peace between the Allied and Associated Powers and Germany . . . which was signed on behalf of His Majesty, acting for Canada, by the plenipotentiaries therein named, and that this House do approve of the same.”

DEBATE IN HOUSE OF COMMONS.

The Prime Minister (the Right Hon. Sir Robert Borden) said that they were assembled to consider the terms of Peace which were presented to Germany after many anxious months of study and debate. Including the British Dominions, who were given in the Peace Conference a place commensurate with the part they had taken in the war, there were thirty-two nations assembled in the secret Plenary Session on the 6th of May at which those terms were unanimously adopted. He did not claim that there was no hesitation or even that there was no protest. Probably not a single nation—and he did not except Canada from the assertion—was absolutely satisfied with every disposition contained in the Treaty. But there was the great outstanding fact that thirty-two nations of varying and sometimes conflicting ideals and aspirations did finally give their undivided assent to a treaty which whatever its imperfections might be, was designed in all sincerity to assure the future peace of the world.

It was unquestionable that the Treaty should be submitted to Parliament for its approval before ratification on behalf of Canada took place. The formal ratification was in the name of the Sovereign; but in giving that ratification on behalf of Canada, His Majesty necessarily acted at the instance of his constitutional advisors in that country.

The League of Nations.

After alluding to the necessarily severe character of the Treaty, the Prime Minister proceeded to describe its terms. He observed that to deprive Germany of her entire Colonial

Empire was a stern though just measure. Referring to the League of Nations, "a covenant founded upon the solemn and unanimous affirmation of thirty-two of the world's nations that not force, but right and justice shall be the arbiter of international disputes," he stated that the Canadian delegates took exception to certain of its original provisions, and that their views were set forth in a confidential memorandum. Many of their objections were met in the revised draft, and as to the others, they felt that important as they regarded them, they ought not to be accounted of moment in comparison with the supreme purpose embodied in the Covenant.

The Labour Convention.

With regard to the Labour Convention, he had been charged with the duty of bringing together representatives of the important industrial Powers and of endeavouring to reconcile certain divergences of view in respect of the affirmation of general principles which had already been under discussion in the House. Those principles had been adopted upon his motion at the Peace Conference.

Representation at Peace Conference.

After paying a tribute to the absolute co-operation and understanding with which the representatives of Great Britain and the Dominions had worked, the Prime Minister considered the character of the representation secured by Canada at the Conference, her position as a signatory of the Treaties concluded there, and her status as a member of the League of Nations and of the International Labour Convention. He stated that the sessions of the Imperial War Cabinet held in the spring of 1917 and in the summer of 1918, afforded in a certain measure the means of carrying out of this understanding (concerning the terms of peace). After the Armistice, his proposal was adopted first by the Imperial War Cabinet, and, after considerable discussion, by the Conference, that there should be a distinctive representation for each Dominion, similar to that accorded to the smaller allied powers, and in addition that the British Empire representation of five delegates should be selected from day to day from a panel made up of representatives of the United Kingdom and the Dominions. The adoption of the panel system gave to the Dominions a peculiarly effective position. At plenary sessions there were sometimes three Canadian plenipotentiary delegates, two as representatives of Canada and one as representative of the Empire. Dominion Ministers were nominated to and acted for the British Empire on the principal Allied Commissions appointed by the Conference to consider special

aspects of the conditions of peace. He had himself been called upon to put forward the British Empire case in respect of the Clauses on economic questions, International control of Ports, Waterways and Railways, and on Submarine Cables. During the last month in Paris, he had acted regularly as Chairman of the British Empire Delegation in the absence of Mr. Lloyd George.

Constitutional Status.

(1) *At the Conference.*—Finally, it was desirable to note an important development in the constitutional practice respecting the signature of the various Treaties concluded at the Conference. Hitherto, it had been a practice to insert an article or reservation providing for the adhesion of the Dominions. Now his (the Prime Minister's) proposal had been adopted that the assent of the King as High Contracting Party to the Treaties should, in respect of the Dominions, be signified by the signature of the Dominion plenipotentiaries, and that the preamble and other formal parts of the Treaties should be drafted accordingly. This important constitutional development involved the issuance by the King of full powers to the various Dominion plenipotentiary delegates, and in order that such powers issued to the Canadian plenipotentiaries might be based upon formal action of the Canadian Government, an Order in Council was passed on April 10th, 1919, granting the necessary authority. This new and definite status of the Dominions was further manifested in the constitution of the League of Nations as well as the International Labour Organisation.

(2) *In the Empire.*—"The future relationship of the Empire," said the Prime Minister, "must be determined in accordance with the will of the Mother Country and of each Dominion in a constitutional conference to be summoned in the not distant future. Undoubtedly it will be based upon equality of nationhood. Each nation must preserve unimpaired its absolute autonomy, but it must likewise have its voice as to those external relations which involve the issue of peace or of war. So that the Britannic Commonwealth is in itself a community or league of nations which may serve as an exemplar to that world-wide League of Nations which was founded in Paris on the 28th of last June. . . . The same indomitable spirit which made Canada capable of that effort and sacrifice (during war) made her equally incapable of accepting at the Peace Conference, in the League of Nations, or elsewhere, a status inferior to that accorded to nations less advanced in their development, less amply endowed in wealth, resources and population, no more complete in their sovereignty and far less conspicuous in their sacrifice."

In answer to a question of the **Hon. W. S. Fielding** as to what difference it would make if the Canadian Parliament failed to ratify the Treaty, the **Prime Minister** said that in that case Canada would stand out of and apart from the rest of the Empire and would be committed to such independent action that she could not be regarded as acting in co-operation with the other nations of the Empire. He added that the British Government were not disposed to deal with the Treaty, so far as Canada was concerned, apart from the approval of the Canadian Parliament.

Mr. D. D. McKenzie (**Liberal, Acting-Leader of the Opposition**) said that the important point was to see whether the status of Canada had been in any way affected by this bargain. The great Canadian statesmen of the past had been proud of the position of their country since Confederation, and Sir John Macdonald was, for instance, satisfied with the status of Canada and her relations with the Empire, and her usefulness to it, without the Dominion being committed to take part in any outside wars at all. Since then Canada had taken part in the South African War and the war which had now closed. On both occasions they acted on their own initiative and entirely upon the absolute free will of the Canadian people as expressed by Parliament. That was the most satisfactory position in which they could find themselves. He gathered, however, that it was the intention of the Treaty and of the signatories who represented Canada when the Treaty was signed that henceforth the Canadian people should act, not of their own free will, but in compliance with the terms of the Treaty which were to be interpreted from time to time by a Council sitting at Geneva, on which there was no certainty of the Dominions having representatives. He did not agree with the idea of Canada signing the Treaty as a separate and distinct nation because Canada was not a nation in the true sense of the term, but a part of the great British Empire. According to the framers of the British North America Act, Treaties would be made between the Empire and foreign nations, in respect of which certain duties would fall upon them, not as a separate part, but as an integral part of the body politic of the Empire. He submitted that to profess to make a treaty and call themselves a nation, and as a nation to become a member of the League of Nations, was absolutely impossible, and could not be carried out, and in attempting to do so Parliament and Government had undertaken responsibilities which they were not in a position to carry out.

The League of Nations.

Article VIII. of the League involved the maintenance by Canada of a standing army. Article X. might involve her

entry into any petty quarrel between small nations, while constitutionally Canada was only bound by what she agreed to do by virtue of the machinery provided by and for the British Empire of which she was a component part.

In Article XVI. they said that they would refuse to have any intercourse with any member of the League that went to war without the consent of the whole League. Their plenipotentiaries undertook to say that Canada had signed the Covenant apart from Great Britain, and Canada might possibly put herself in the position of being in arms against the Mother Country.

Ratification.

Turning to the question of ratification, Mr. McKenzie said that this was unnecessary in so far as it concerned the Canadian Parliament. Ratification, in the words of Mr. Lloyd George, was for the Crown; and the Treaty, having been signed by the King, was already absolutely obligatory. The plenipotentiaries had received their commissions from the King, and they signed the Treaty as his direct representatives.

The Minister of Public Works (Hon. A. L. Sifton) said that this was the first time within the confines of the British Empire in which any Parliament had been asked to approve a Treaty. The Treaty had not yet been ratified. When it was, it would be ratified by the King of England on behalf of the United Kingdom on the advice of its Government, and on behalf of Canada by the King of the British Empire upon the advice of the Government of Canada. This was in accordance with the promise made in Parliament by the Prime Minister that before ratifying the Treaty he would submit it to Parliament. There was no question in the motion of ratifying the Treaty. It was a motion to approve as a whole or disapprove of the Treaty. Here was an example of the most radical change in the constitution of this portion of the Empire in the submission to Parliament of the Treaty which the Government, under the British Constitution, might have ratified by an Order in Council. The powers given by the King to the plenipotentiaries were not powers to act for the British Empire as a whole, but to sign treaties for the Dominion of Canada.

Work of Canadian Delegates.

Mr. Sifton then dealt with the work done by the Canadian members of the Conference. Canada had no special interests to serve except to see that the best possible Treaty was made. Very considerable work was accomplished by the delegates from Canada. The Prime Minister, for instance, wrote a memorandum on the League of Nations which exercised very

considerable influence upon its final arrangements. In spite of opposition he (Mr. Sifton) had safeguarded the representation of Canada on the International Labour Convention.

French Canadian View.

The Hon. Henri S. Béland* (Liberal, *Beauce, Que.*) declared that as one who for over four years was the constant witness, and in many cases the victim, of Prussian methods and of pan-German aspirations, a perusal of a large number of the clauses of the Treaty afforded him deep satisfaction. When all the German machinations (*e.g.*, the invasion of Belgium and German treatment of Poland) appeared anew, the various clauses of the Treaty, severe and drastic as they might appear, seemed only too just. They were now asked, not as a sovereign nation—for they were not and could not be considered a sovereign nation—but as a British dependency to give their approval to the provisions of the Treaty. He had no objections to offer to those provisions dealing with labour. The chapters which dealt with boundaries of Germany and of other nations, with the limitations of armaments, etc., though open to much criticism, ought to be unreservedly endorsed by Parliament if the action of that Parliament was in any degree necessary to give them any validity which they would not otherwise have.

Imperial Centralisation.

His conviction was that no consequence of any importance to Canada, nationally or internationally, would result from their abstention (from approving the Treaty) any more than if India's approval failed to be given. He was afraid that Canada was gradually assuming more and more international obligations without any corresponding international status. A fever of Imperialism, the main symptom of which was a blind desire to centralise in London the administration of Canadian affairs, was haunting the minds of some of their public men. In the interest of the solidarity and the permanence of the Empire it was the duty of the Canadian Parliament to resist that tendency. Not being a sovereign state, Canada could well have left it to the representatives of Great Britain to enter the League of Nations. In such an event, *ipso facto* Canada, as an integral part of the Empire, would have been a member of the League and would have shared in its benefits without being exposed to most difficult and dangerous situations politically and militarily. He believed that England herself

* Dr. Béland, who was Postmaster-General in Sir Wilfrid Laurier's Administration, was taken prisoner in Belgium early in the war and remained a civilian prisoner in Germany during a great part of the war.

would rather not have Canada join the League. Great Britain was satisfied that whenever her interests or those of the Empire were threatened she could count on the generous co-operation of her leading Dominion—Canada.

Mr. E. Lapointe (*Liberal, Kamouraska, Que.*) held that they had absolutely no right to change or modify the Treaty in any way. Parliament was not called upon to ratify the Treaty. According to Anson's "Law and Custom of the Constitution," the power of ratification was vested in different parts of the Sovereign power, according to the constitution of the different countries, the execution lying, in the case of England, in the Crown. Mr. Lloyd George did not move a resolution in the British House of Commons ratifying or approving the Treaty; all he did was to introduce a Bill similar to that which had been introduced there.* Would any gentleman, he asked, say that the Canadian Parliament had more power with regard to the ratifying of Treaties than the Parliament of the Mother Country?

Canada Contracted into the League.

It was quite proper and he was glad that Canada should be invited to the Peace Conference, but the Treaty was made between the British Empire and the other Powers, and whether they approved it or not, it bound the whole of the British Empire including the Dominion of Canada. The Prime Minister described their membership in the League of Nations as a further manifestation of their new status, but they were made members of the League by no act of their own but by the high contracting parties, of which Canada was not one except as part of the Empire. They were contracted into the League. If the opinion of President Wilson, given to a Committee of the United States Senate, was correct, they were not enjoying a full and separate membership in the League; they were a mere addition to the voting power of the British Empire when questions in which the Empire had no concern were discussed and decided upon. If that opinion was erroneous, and they were considered a separate entity in the League, then the consequence of Article XVI. would be that they would have to redeem their obligations and side with other members of the League against Great Britain, and thereby cease to remain in the Empire, or else they would have to disregard their pledges and take sides with Great Britain.

The Question of Nationhood.

The Prime Minister had committed himself in emphatic words to the claim of full equality of nationhood at the pro-

* See page 1.

posed Constitutional Conference between the Mother Country and the Dominions. His party had always held advanced ground in this most important question, but if he would favour an association of the various nations of the Empire on the basis of full equality, he was strongly opposed to all schemes of centralisation by which Canadian policies would be decided upon outside Canada by any body of men in which Canada would have only one representative out of twelve. Any such body as the Imperial War Cabinet would not satisfy the aspirations of the people of Canada; and he submitted that no important change should be effected without a referendum to the people.

He would certainly favour an amendment or reservation clearly stating that their approval of the Treaty should in no way impair or take away the rights and privileges of the Parliament of Canada.

The President of the Council (Hon. N. W. Rowell) gave in effect a reply to the criticisms contained in previous speeches. With reference to the question of ratification, he said that the Sovereign ratified upon the advice of his Constitutional advisers. The view of the Government of Canada was that while they had the right by executive act to advise His Majesty to ratify the Treaty with respect to Canada yet having regard to the importance of the Treaty and its bearing upon the future history of Canada, it was the duty of the Government to submit it to Parliament and ask their approval before they took the responsibility of advising ratification. There were two distinct things: the executive act of signing which settled the terms of the Treaty, and the executive act of ratification which gave it its legal effect. But between the date of signing and the date of ratification any nation had the legal right to refuse to proceed further with the Treaty.

Canada a Nation within the Empire.

There was one view that Canada should cut the tie that bound her to Great Britain and become an independent nation; the other view presented by the Leader of the Opposition practically relegated Canada back to her Colonial status. Neither represented sound Canadianism. The people of that country were determined, on the one hand, to maintain their connection with the Motherland; on the other hand, to exercise the power of a nation within the Empire. His hon. friends said that the British Ministers could have signed for Canada. He held that the British Ministers could not have signed for Canada in face of the power given to Sir Robert Borden and his colleagues (*i.e.*, the authority issued by His Majesty upon the recommendation of the Governor-

General in Council in Canada). They were recognised now as a nation of equal status with the Mother Country and the other Dominions. The recognition of that status by the Government of Great Britain put them in a position where all that was necessary was to complete the working out of the machinery in order that they might enjoy that status ; and that was the object of the Constitutional Conference which was to be called.

Article X.

Referring to the League of Nations he said that under Article X. the power of the Council was only advisory. If they advised that Canada should take action, that action, if it required legislative sanction, would have to be taken by the Parliament of Canada. She would not be compelled to take action unless she agreed to it.

Mr. Lucien Cannon (*Liberal, Dorchester, Que.*) thought that the Treaty, considered as an instrument to bring about peace, was very severe. Some of its provisions appeared to offer a danger to the future. He instanced the clauses dealing with the trial of the Kaiser, the reparation clauses, and the exclusion of Germany from the League of Nations.

He was sorry that their delegates did not see that Canada at least obtained an indemnity. In Bohemia there was a very great number of German people forced to stay in the new State formed by the Allies, and he would like the Minister of Justice to explain why he had not insisted upon a similar solution of the Irish question.

Canada without International Status.

President Wilson had said that if trouble should arise between England and the United States, there would be no trouble with Canada because Canada had no diplomatic relations with the United States and therefore Canada had no international status. How could they be a nation in the true sense of the word if they had no international status ? He asked whether the Minister of Justice could contend that Canada was an independent nation when Canada had not a word to say when war was declared and had not a word to say as to the conditions of peace ? Another essential condition to the change in their status was to take away from the Mother Country the right to amend their constitution. He hoped that the Minister of Justice would insist upon the abolition of appeal to the Privy Council.

The Hon. Rodolphe Lemieux (*Liberal, Maisonneuve, Que.*) said that he approved of Canada's participation in the war, but he could not approve of the war policies of the Government.

He believed that if the silent voices in Flanders Fields could be heard to-day, those young men who were under the sod would say: "O Canada! we did not fight, we did not fall to promote a new Imperialism, to implant a new Militarism."

He was a British citizen wherever the British flag floated; and if he were a British elector in the United Kingdom he would stand by the Treaty, he would stand by the Covenant of the League of Nations without much questioning. But as a Canadian he had no say in the matter at all. He could only approve of the Treaty of Peace and the Covenant in so far as they did not impair or abridge any of his constitutional rights, and he thought that this was sound Canadian and sound British doctrine. He agreed that the Covenant would be meaningless and worthless without Article X., but he must look upon the whole issue as a Canadian.

Canadian Autonomy.

When they had a voice in the Imperial Council they would have only that proportionate influence which their population gave them a right to have, and when the United Kingdom was involved in war they would be carried in her wake although the Canadian people and Parliament might hold a different view as to the justification for such a war. That was the danger and the crux of the whole question. He contended that that Parliament had no mandate to subscribe to that organic change. He stood for autonomy and Canadianism as against centralisation and all forms of imperialism. They claimed that they should be governed in all matters by Ottawa, and not by London, except as provided for in the constitution. He did not advocate the abolition of the right of appeal to the Privy Council, nor did he advocate the abolition of the office of Governor-General. If they wanted a slogan for Canada on the question of their relations with the Mother Country, he would repeat the slogan of 1911: "Let well enough alone; let us not be involved in the domestic affairs of the United Kingdom or in its foreign policy."

Separate Recognition.

The Hon. W. S. Fielding (*Liberal, Shelburne and Queen's, N.S.*) believed that the Treaty which they were invited to consider was in the main a good Treaty. But with that aspect of the question affecting the constitutional status of Canada he was obliged to express some dissent. They were a part of the British Empire and he desired that they should always remain so, and he therefore regretted the policy of hon. gentlemen in pleading for separate recognition apart from the Empire. By their demand for separate recognition they were beginning—though they may not have meant it so—to break up

the Empire. They had in the representatives of the British Government in London statesmen who would take due account of the interests of the Empire at large. Upon any point where Canadian interests were particularly affected it was desirable that they should have special representation, but when there was no Canadian business before them, when no Canadian interests were affected, it was not wise for them to insist upon having representation of Canada when there was nothing of importance from a Canadian point of view for their representatives to consider.

The claim of their Dominion to separate representation had already been one of the most serious obstacles to the ratification of the Treaty in the United States. Canada was not a nation and could not be a nation. There could not be two Parliamentary Governments of equal authority in the Empire. The ratification by Great Britain was beyond all question effective.

They had a written constitution; by it the status of Canada was fixed, and there could be no change in their constitutional position except through an amendment of the British North America Act. He had no grievances as to their present relations with the Mother Country, and he did not see any reason why they should manufacture bogus reasons to create a shadowy status which had no existence.

Amendment Moved.

The ratification of the Treaty would bind Canada, but it would bind her subject to the terms of the Canadian constitution. They were going to lose the power of Parliament in determining what part they would take in war if the Treaty was ratified without any reservation whatever. The Prime Minister had said that in anything that might be done with regard to their status the autonomy of Canada was going to be preserved at all costs. He therefore was going to ask his hon. friends opposite to join him in protecting the autonomy of Canada by an amendment, that the following words should be added to the resolution:—

“That in giving such approval this House in no way assents to any impairment of the existing autonomous authority of the Dominion, but declares that the question of what part, if any, the forces of Canada shall take in any war, actual or threatened, is one to be determined at all times as occasion may require by the people of Canada through their representatives in Canada.”

Nationhood a Matter of Fact.

The Minister of Justice (Hon. C. J. Doherty) said that Canada had grown to nationhood. She did not go seeking

anywhere to any of the Allied or Associated Powers, to any foreign power, to Great Britain herself, to the entire Peace Conference, to confer upon her the gift of nationhood. Nationhood was a matter of fact; it was not a question of what was written in a statute book or what was endorsed by one nation in relation to another. When His Majesty the King came to act and the signature of the British Empire had to be attached to the Treaty, to provide the signature of the British Empire there were required the signatures of those statesmen specially representative of the United Kingdom and of the Crown Colonies and dependencies plus the signature of Canada, plus the signature of Australia, plus the signature of New Zealand, not because they pretended to be nations separate from the British Empire but because they were the nations that composed the British Empire. What the Canadian Parliament did was to approve the Treaty—not in the form precisely of the resolution, which had been introduced for expedition's sake—but by passing an act on the lines of the Bill which would be submitted to the House, empowering His Majesty in Council to take all steps necessary to give it effect. By doing that they expressed their approval, and that having been done, the Ministers of the United Kingdom were ready to-day to give their advice to His Majesty to ratify the Treaty.

Part taken by Canadian Delegates.

Referring to the Labour Convention and the usefulness of the men who went to the Peace Conference from Canada, Mr. Doherty said that in the composition of that body the employers and working-men of Canada would have their representation in equal number with every one of the nations of the earth other than the five great powers, and an equal voice and influence in the Council of that great body. It was not Mr. Gompers and it was not Mr. Barnes who secured that right for the industrial interests of Canada; it was Sir Robert Borden and the Minister of Public Works. He was not lacking in respect for the great statesmen of the United Kingdom. But if in the dealings of the Empire with the outside world Canadian affairs were to be carried on on democratic principles, then Canada's participation in such dealings must be by representatives who held their authority from the people of Canada and from no other source.

Article X and the Powers of Parliament.

The amendment (Mr. Fielding's) raised in the first place, he thought, the question of what was the real meaning of Article X and what was the nature of the obligation imposed upon Canada by the second phrase of that Article. Between the people of Canada and the operations of the Council,

under Article X, there would always be standing the undisturbed power of the Parliament of Canada. What the Article did was to recognise the soundness of the principle and the policy of a joint guarantee of the territorial position and political independence of all the members of the League. When it came to a question affecting directly any Power among the Powers with special interests which were not represented on its Council, then that Power would have the right to send a representative to sit as a Member of the Council; and when it was a question of what part Canada should take in any future war surely no one would suggest that that was not a question in which she had a special interest. Canada, as a member of the League of Nations, was distinct from the British Empire and would have one vote. Therefore, when it was a question of calling upon Canada—or rather of advising Canada—to make a certain contribution in men or money or otherwise, Canada would be sitting as a member of the League, and for any decision at its meeting there would be required the agreement of every member represented thereat (*vide* Article V). In his opinion, he did not see that there was anything to prevent Canada withdrawing from the League even though the other Nations of the British Empire determined to remain within. Canada was part of the British Empire and if Canada withdrew part of the British Empire would have withdrawn.

The suggestion that their approval (of the Treaty) should be accompanied with a declaration such as was contained in the motion (Mr. Fielding's) amounted to nothing more or less than a refusal to accept that condition of the covenant. If a reservation affected the substance of the contract, if His Majesty's ratification on behalf of Canada was subject to a reservation that modified the contract, then they stood as having refused the Treaty. He could not, for his part, contemplate for one moment the acceptance of the proposed amendment.

The Hon. W. S. Fielding's amendment was negatived by 112 votes to 71, and the motion for the approval of the Treaty was agreed to.

DEBATE IN THE SENATE.

In moving the resolution in the Senate on 4th September, The Hon. Sir James Loughheed (Leader of the Senate and Minister without Portfolio) said that Canada would be entitled to her share of the indemnity and her debt would be reduced to a substantial extent. He thought it would have been difficult for the human mind to conceive, considering what was involved in the Treaty, a more effective way to carry out

the purpose which it had in view. He anticipated some little discussion on Article X of the League of Nations Covenant, which might be termed the storm centre of the critics who objected to the Treaty. Canada could not become a party to the League and enjoy all the advantages of the League—enjoy the defence and protection which she would be given by the other nations of the world—unless she was willing to assume a like responsibility with them. It was one of the very first principles of any people that they should be prepared to make sacrifices in defence of their national entity, and that obligation had been thrown upon Canada as well as upon the other nations who were signatory to the Covenant.

The Hon. H. Bostock (*Leader of the Opposition*) thought that the principle of the League of Nations was one of which everyone who had the interests and peace of the world at heart must thoroughly approve. As a member of the League they would be responsible for those new states which were being brought into existence at the present time. This was an entirely new position for the people and Government of Canada to be placed in. They might be placed in a rather difficult situation in regard to the position of Japan and China. If any difficulty should arise, Canada, being one of the Powers signatory to the Treaty nearest to Japan and China, might have to take action.

The Hon. R. Dandurand (*Que.*) thought they were entitled to reparation, but it was said that they would get nothing, as preferential claims would absorb every dollar of the indemnity. Speaking of the status of Canada, he said they had gained solely the appearance of nationhood, not the reality. They had assumed international obligations without obtaining in return an international recognition. Before he voted for the Treaty he wanted to make sure that all the principal nations—and he pointed specially to the one which took the lead in creating the League—the United States—would join in it.

The Hon. W. Roche (*N.S.*) took the standpoint that they owed their revenue to the King, that they granted money to the King, that the King raised the forces, and that it was an act of independence, a throwing off their obligation to the Sovereign to promise to grant to the members of the League that which they owed as an obligation to the King of Great Britain.

The Hon. F. L. Béique (*Que.*) declared that the moment the Treaty became binding on England, as part of the British Empire, it became equally binding on Canada. Therefore their ratification was of no consequence at all. If the Dominions were not treated as separate entities, the Empire as represented by the British Government would

alone be made contributory by the League of Nations and each of the Dominions would be free in any given case to decide whether or not it would share in the contribution.

The Minister of Labour (Hon. Gideon D. Robertson) said that it would appear that those who convened at Versailles regarded the Labour Convention as the very fundamental principle underlying the Treaty. After some five or six amended drafts of the Convention had been made by the representatives of the various nations, the Prime Minister of England requested the Prime Minister of Canada to take the matter in hand ; and the result, due to the labour of Canada's representatives, was the Labour Convention which perhaps more than any other thing assured the success of the League of Nations and the preservation of the peace of the world for future years.

OTHER TREATIES.

The House of Commons and the Senate united in passing a resolution approving the Treaty of Peace between the Allied and Associated Powers and Austria.

On 12th September, resolutions approving the agreement as to the occupation of the Rhine territories and the Treaty with Poland were passed by the House of Commons.

United Empire : One Signature.

Mr. D. D. McKenzie (Liberal, Acting-Leader of the Opposition), speaking on the former resolution, stated that he wished to put himself on record in the most emphatic way as saying that he did not agree with the argument that the consent of the British Empire to an international treaty could not be effectually obtained without the Dominions signing separately. "We are a component part of the British Empire," Mr. McKenzie declared, "we enjoy the protection of the great Empire to which we belong, we are subject to its laws, and we take advantage of every privilege that that great combination of nations or dominions brings to us as citizens of that great Empire ; and if the King and those representing him sign this document, I submit it is binding on the whole Empire . . . There should be one united body, one united council for the whole of the Empire, with Canada fully represented ; there should be one conclusion, one treaty, one signature . . . The more united we are and the better we understand one another in connection with Empire matters and Dominion matters, particularly when we are facing a foreign foe or foreign complications, and the closer we keep to the statesmen of Great Britain in responsibilities for the whole of the Empire, the better it will be."

The Minister of Justice (Hon. C. J. Doherty), in reply, said that the British Empire, apart from the Crown Colonies and so forth, consisted of some five self-governing nations. "The United Kingdom," he said, "is not in itself the British Empire; it takes all these nations to make up the Empire. And when the British Empire makes a Treaty it is fitting that the whole of the Empire should join in making it."

In the discussion of the Treaty with Poland, that nation's treatment of its Jewish population met with considerable criticism.

TREATY OF PEACE ACT.

The Preamble of this Act, which was assented to on 10th November, 1919, states:—

"Whereas, at Versailles, on the twenty-eighth day of June, nineteen hundred and nineteen, a Treaty of Peace (including a Protocol annexed thereto) between the Allied and Associated Powers and Germany, a copy of which has been laid before each House of Parliament, was signed on behalf of His Majesty, acting for Canada, by the plenipotentiaries therein named, and it is expedient that the Governor in Council should have power to do all such things as may be proper and expedient for giving effect to the said Treaty: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons in Canada, enacts as follows:— " Then follow Clauses (1) empowering the Governor in Council to carry out the provisions of the Treaty; (2) providing that Orders in Council may be revoked or amended, may impose penalties, and must be laid before Parliament and (3) that any expense shall be defrayed out of moneys provided by Parliament.

An amendment, originating in the Senate, was subsequently passed for the purpose of including the Treaty of Peace with Austria in the operation of the Act.

DEBATE IN HOUSE OF COMMONS.

In moving the Second Reading of the Bill on the 23rd September,

The Minister of Justice (Hon. C. J. Doherty) said that in its terms the Bill was similar to one which had been adopted in the British Parliament in order to attain so far as Britain was concerned the same end. There it served as a means of expressing the approval of Parliament of the Treaty itself. This House had already expressed its approval, so that the Bill was to enable the Treaty to be carried out and give effect to its provisions. The steps which it was proposed that the Governor in Council should have power to take were of an executive character. The Treaty itself determined the rights and obligations of Canada. The orders which would require

to be made would certainly not involve legislation of any permanent character, but it would be necessary to make provision from time to time for carrying out the different provisions connected with the Treaty, as, for instance, provisions which conferred upon Canada the right of liquidating property of German nationals situated in that country.

Mr. D. D. McKenzie (Liberal, Acting-Leader of the Opposition) pointed out that under Section 132 of the British North America Act they had power to furnish the money to carry out any obligation that fell upon Canada as a whole, or any Province of it, by reason of a Treaty entered into by Great Britain, but he could find no authority for providing money to carry out the terms of a Treaty which they made themselves, separate and apart from the Mother Country.

He wanted again to register his protest against the country dealing with foreign countries by Orders in Council. If the matters for which they were to provide were set forth in the Treaty in plain language there should be no great difficulty in putting them into the form of a Statute and giving time to the Government to carry them out if the House should so desire. Particularly was this necessary when they were dealing with such a vital question as that of whether Canada as a nation should enter into a conflict with any other nation of the world. They should not be asked to give these extensive and practically limitless powers to the Governor in Council.

DEBATE IN THE SENATE.

In moving the second reading of the Bill on 30th September,

The Hon. Sir James Lougheed (Leader of the Senate) said that it would be necessary to have an adjudication and determination of the many questions that would arise in the different countries of the parties to the Treaty; it would be necessary to establish clearing houses for the purpose of dealing with all questions affecting the business interests of the different nationals of the various Powers engaged in the war. This could better be accomplished by Orders in Council than by any fixed statute. Money would be from time to time provided as the necessity arose. In connection with the League of Nations certain expenditures would have to be made by the different countries.

The Hon J. P. B. Casgrain (Que.) said that, as he saw it, they were called upon to ratify not the Peace Treaty but the League of Nations Covenant. They were committing the country absolutely, and according to many were signing away the last shadow of autonomy they might have had. It

would be decided by the Imperial Parliament or the King whether or not there should be war. They would have no voice, but they would be able to die and asked to pay. That was the reason he had for asking that there should be some representation. If there was a Federation of the British Empire they would have a vote, although they would have to go with the majority. The federation of the British Commonwealth was an essential condition for the maintenance of general peace.

The Hon. R. H. Pope (*Que.*) said that in order to have the attributes of nationhood it was not necessary that there should be any legislation. Long before the Treaty of Peace was signed their representative, the Prime Minister of Canada, was made a Privy Councillor and sat in the War Council. Downing Street fifty years ago would not have thought of that, yet it was said that they had not attained the status of a nation. They observed that the United States Senate was not satisfied. He would like to see them sign the Treaty and join the League of Nations, but he would tell them that if they never signed the Treaty, if they never joined the League, there would be a Treaty of Peace and there would be a League of Nations whether they were in it or out of it. Reference was made to Article X. It was said that it would involve them in all the wars of Europe. The world, however, was tied together by commerce and electricity and air communication, and they in the northern half of America could not sit down and refuse to take their share of world responsibilities.

The Hon. N. A. Belcourt (*Ont.*) contended that there was all the difference in the world between a state and a nation. There might be half a dozen or more nations comprised in one state, and that was the case with the British Empire. A state was an organised community possessing sovereign power independent of the rest of the world. Canada was not a state, but a self-governing colony, which could not make treaties. By ratifying the Treaty Great Britain had made them members of the League of Nations, whether they approved or disapproved. He was, however, prepared to trust the League of Nations for the time being. If from time to time they found that it had strayed from the right path, the Parliament of Canada would have the right to make representations. With that reservation he had much pleasure in giving his hearty support to the Bill.

Amendment in the Senate.

The Hon. Sir James Lougheed on October 7th asked the House to concur in an amendment for including the Peace Treaty with Austria and the other nations with which His

Majesty had been at war within the scope of the Bill, and thus obviating the necessity of again calling Parliament for the purpose of considering a Bill ratifying other Treaties. The amendment was agreed to.

IN THE COMMONS.

Considering the amendment in the House of Commons, **The Minister of Justice (Hon. C. J. Doherty)** said that the Government had decided to ask the House to concur in the amendments of the Senate in so far as they referred to the Treaty which had been signed with Austria, but not to concur in so far as the amendments extended the powers conferred by the Bill to the carrying out of provisions of such Treaties with other nations which might be signed on behalf of His Majesty acting for Canada.

The Treaty with Austria was entirely on the lines of the German Treaty. They did not think they would be justified in calling a special session to deal with it.

Mr. D. D. McKenzie and the **Hon. W. S. Fielding** expressed themselves as opposed to the principle involved in the whole amendment made by the Senate on the ground that they were called upon to approve a Treaty which they had not the means of examining.

The Senate's amendment as qualified by Mr. Doherty's proviso was agreed to.

FRENCH CONVENTION ACT.

This Act, which was assented to on 10th November, 1919, continues the Convention of 1907 and 1909 respecting the commercial relations between Canada and France until terminated by three months' notice.

The Minister of Trade and Commerce (the Rt. Hon. Sir George Foster), explaining the Bill to the House in Committee, on 8th November, said that the Treaty heretofore existing between France and Canada was subject to determination on a year's notice to be given by either party. The French Government had given the year's notice which would have terminated the Treaty in 1919. They gave that notice, in pursuance of a general policy intended to clear the decks for rearrangements after the war, to all nations with whom they had treaty agreements. There was nothing in these notifications which denoted a spirit of opposition either to existing agreements or to fresh treaties which might be contemplated. Thus in order not to have the Treaty lapse while matters were

in an unsettled condition, the French Government proposed that, instead of a year's notice, a notice period of three months should be substituted.

The Bill was passed by the Senate on 8th November.

GRAND TRUNK RAILWAY ACQUISITION ACT.

The Grand Trunk Railway Acquisition Act, which was assented to on 10th November, 1919, is one of the most important attempts in connection with the government control of Railways that has yet been made in the Dominion.

The Bill, as introduced into the House of Commons, makes provision for the Government to enter into an agreement with the Grand Trunk Railway Company for the purpose of acquiring the entire capital stock of the Company with the exception of the 4 per cent. guaranteed stock which amounts to £12,500,000.

As part of the consideration for such acquisition the Government may agree to guarantee the payment of :—

(A) Dividends, payable half-yearly, at 4 per cent. per annum upon the present guaranteed stock.

(B) The interest upon the present debenture stocks (£31,926,125).

(C) Dividends payable half-yearly at 4 per cent. upon an issue of non-voting capital stock (i.e., preference and common stock of £37,073,492 nominal value), the amount of which is to be determined by a Board of three arbitrators, one to be appointed by the Government, one by the Grand Trunk, the third by the two so appointed, or, failing agreement, by judges appointed for the purpose (for amendment, see below).

Concurrently with the guarantees of (a) and (b) the voting power of the shareholders is to cease.

The Government may call in or redeem, on six months' notice, both the present and new guaranteed stock, at par, at any time after 30 years from the date of the appointment of the Committee of Management.

The Bill further provides that, as soon as an agreement has been ratified by a majority of the shareholders, a Committee of Management is to be formed to operate the Grand Trunk System in harmony with the Canadian National Railways, the two systems being treated as nearly as possible as one system.

Amendments.

The following important amendments were subsequently made :—

(1) An additional clause was added to the preamble that His Majesty "should have power to acquire the 4 per cent. guaranteed stock."

(2) The value, if any, of the preference and common stocks to be determined by the Board of Arbitrators is not to be "greater than an amount on which the annual dividend at 4 per cent. per annum on the aggregate face value of the present guaranteed stock and the new guaranteed taken together would exceed \$5,000,000."

(3) The name of Sir Walter Cassels, Judge of the Supreme Court, was inserted as one of the three arbitrators.

(4) The clause allowing the Government to make loans to the Committee of Management upon the notes or other obligations of the Grand Trunk was struck out.

DEBATE IN HOUSE OF COMMONS.

In submitting his resolution containing the Bill to the House in Committee on 15th October, 1919,

The Minister of Railways and Canals (Hon. J. D. Reid), said that it would be well for him to state what had led up to the decision to take over the Grand Trunk Railway system. The Grand Trunk Railway Company decided in 1903 that, in order that they might compete on an equal basis with the Canadian Pacific Railway Company, they must extend their line into the territory of the Great North-West. Accordingly, they applied to Parliament and received a charter to build a railway from Winnipeg to the British Columbia coast. The Government of the day decided to construct a road from Winnipeg to Moncton and hand it over to the Company by way of lease. On the completion of the Grand Trunk Pacific Railway, the old Grand Trunk Railway Company held themselves responsible for the cost of operation and all liabilities in connection therewith. They refused to take over the Trans-continental between Winnipeg and Moncton, and the Government had been operating that railway since its completion at an annual loss of several millions of dollars. The Grand Trunk Railway Company on February 1st last refused to continue paying interest on bonds guaranteed by them and accordingly the road had to go into the hands of a receiver. Up to that date the Government of Canada had advanced to them, over and above the original agreement, a sum of \$70,000,000. The Government advanced these loans because they believed it would be a national calamity to create a financial crisis while the war was on. When, however, they decided that they would not consider any further advances the whole railway question had to be reconsidered and it was decided that the Grand Trunk Pacific should be operated under the direction of a receiver. This made the Grand Trunk system directly responsible for the securities guaranteed by them in respect of the Grand Trunk Pacific Railway. It was impossible for the Government to assume the Grand Trunk Pacific liabilities and release the Grand Trunk Company from their obligations. The Grand Trunk could not possibly meet them. For this reason the Grand Trunk Railway had been pressing that negotiations should be continued until a final decision had been reached.

Advantages of Government Acquisition.

When the Grand Trunk system was controlled by and included in the Canadian National Railway system, 21,783 miles of railroad would be owned by the Dominion Government. That constituted the largest railway system owned or controlled by any one corporation on the American Continent.

It had always been practically understood by the people of Canada that if they wished to have a transcontinental system that could be operated economically, and on a basis similar or equal to that of its great competitor, the Canadian Pacific Railway, it was necessary that the Canadian Northern Railway, being practically a western railway system, should be joined up with the Grand Trunk, which was an Eastern Canada railway system, and the two together would make a complete and economical system. If the Government did not take over the Grand Trunk Railway they would have to spend within the next few years at least one hundred million dollars for providing terminal facilities and branch connections with other roads in the eastern provinces, and when that was done they would still have as competitors not only the Canadian Pacific Railway, but also the Grand Trunk Railway.

Liabilities.

He noticed that some of the newspapers took the position that an additional liability of about twelve million dollars would be added to their railway losses if they took over the system. It was true that the Grand Trunk had interest bearing first charge stocks to the amount of £32,026,125, the total interest on which would amount to about seven million dollars per annum. The Grand Trunk always carried this interest. In addition to that there was the guaranteed stock of £12,500,000, the interest on which was equal to about two and one-half million dollars, which had also always been earned and paid. Moreover, they always had an amount over and above for distribution among shareholders of other later issues of stocks; and they were able to pay, if not all, a portion of the dividends on the 1st, 2nd, and 3rd Preference Stocks, which amounted to £13,118,055. On these three stocks the profits distributed averaged during the last ten years, prior to the war, an amount equal to about one million dollars per annum. So that in taking over the Company, the Government might become responsible for some twelve million of dollars, interest charges, annually, but they would not, in his opinion, incur a liability, as the Grand Trunk had always earned these amounts in the past. There was in addition the common stock of £23,955,436, on which

no dividend or interest had been paid since its issue, and therefore he did not consider it of any material value other than for voting purposes.

Company's Position under National Ownership.

With regard to the position of the Grand Trunk bond and stock holders, Mr. Reid said he had no doubt that the Grand Trunk Railway would be compelled to carry on its operation without being able to pay one cent. of interest on any stock, if it had to continue and assume the liability of the Grand Trunk Pacific Railway system. With the Government owning such a large railway mileage system, a system almost equal to the Canadian Pacific Railway, how could the old Grand Trunk railway, with its much smaller system compete with these two great companies? Surely it was to the advantage of the shareholders and debenture holders in England to be able from this time to know that they would receive annual dividends. If the arbitrators came to the conclusion that the Grand Trunk Pacific's future was not likely to be better than it was at present, then it was altogether likely that they might not agree to pay the amount the Grand Trunk Railway had been able to distribute among its shareholders in the past.

The Hon. Sir Thomas White (Unionist, Leeds, Ont.) thought that the seriousness of the existing railway situation in Canada was due to the fact that the Grand Trunk Pacific Railway was extended through from Winnipeg to the coast and that the Canadian Northern was extended through Ontario and Quebec to the east. That had resulted in an enormous additional expenditure of capital and in most wasteful duplication of lines. In 1916 the Government decided that a commission should be appointed to investigate the entire railway situation in Canada. That commission recommended (in the Drayton-Acworth report) practically the taking over of the Canadian Northern, the Grand Trunk, and the Grand Trunk Pacific Railways.

When the Grand Trunk Pacific was placed in receivership by the Government of Canada it was clear that the Grand Trunk Railway Company was in a serious position by reason of its having to guarantee, to so large an extent, the securities of the Grand Trunk Pacific.

The Hon. W. S. Fielding (Liberal, Shelburne and Queens, N.S.) inquired why the Government should, in the closing days of a special session, called for another purpose, endeavour to stampede the House of Commons into the adoption of one of the most important measures that had ever been submitted to the Canadian Parliament. The reason was all the stronger against such procedure when they found that it had become

the foundation for gigantic stock speculation in the London Market.

He was going to assume that when they got the debenture stocks they would be getting something of substantial value. On the value of the preference stocks there was to be arbitration. The country and the House had reason to be alarmed at arbitration of that character. The report of the Drayton-Acworth Commission had stated that the common stock of the Canadian Northern Railway was worth nothing and yet in due course arbitrators were able to make the people pay between \$10,000,000 and \$11,000,000 for that stock. He thought that there was a strong probability that they might again have to pay a very large sum of money. He was going to make the suggestion to the Government that they should provide in the Bill that the arbitration award should have no effect until it had been submitted to the House.

With regard to the four per cent. guaranteed stock, he suggested that if the Government desired to acquire that stock, a fair and reasonable arrangement would be for them to acquire it at a little more than the value as quoted in the market. If the Grand Trunk had not accepted this offer he would have said, "If you do not want to surrender the stock on these terms you can keep your stock and we will have an accounting from year to year, and when the road earns enough to pay dividends on that stock, you will get dividends, and when it does not, you will get nothing for it." But the Government had taken the stock which stood at 45 a few weeks ago and was sending it up until it was nearly equivalent to par value. They were going to make a clear gift of \$15,000,000 or more, at the expense of the people of Canada, not to the old Grand Trunk shareholders, but to the people who had got possession of the stock in recent transactions.

Speaking on the motion for the second reading of the Bill on 17th October :—

Mr. J. H. Sinclair (*Liberal, Antigonish and Guysborough, N.S.*) said that this was a proposal to purchase and operate another great railway system consisting of 8,173 miles of railway, of which 1,665 were in United States territory. In his opinion the Intercolonial Railway had retarded the progress of the country through which it ran. In the United States the result of putting railways under Government control was an advance in both freight and passenger rates.

The Hon. T. A. Crerar (*Unionist, Marquette, Man.*) spoke in the debate on 20th October and said that the Government's proposal commended itself to him as the best way out of an extremely difficult situation. He thought that Government operation of railways in the United Kingdom during the past few years had not been a financial failure. In 1915 there were

23,800 miles of railway in the United States that were in receivership. So that it was not fair to argue that public ownership did not pay when they had striking evidence of private ownership failing to pay in a country like the United States.

Mr. D. D. McKenzie (Liberal, Acting-Leader of the Opposition), computed that during the current year they already had a deficit of \$523,762,000 for which they had not one cent of revenue. If they added the deficit on the three roads operated by the Government to that of the Grand Trunk there was in prospect for government operation of railways a total annual deficit of \$86,445,467. Mr. McKenzie therefore moved an amendment to the effect that the Bill proposed a large addition to the debt of the Dominion at a time when existing obligations were such as to give much cause for anxiety; that the present session was called for a special purpose which had already been accomplished; and that therefore the further consideration of the Bill should be deferred until a future session of Parliament.

***The Hon. W. L. Mackenzie King (Liberal, P.E.I.)** speaking on 23rd October, contended that this was not a measure of Government ownership at all. At best it was but an agreement in the nature of an option for the purchase of the Grand Trunk properties, not now, but at the end of thirty years. All that the Bill did was to guarantee that the Government instead of the Grand Trunk Railway Company should hereafter pay the dividends on the guaranteed stock. With regard to the outstanding debenture stock every bit remained in the hands of the present owner. It was but an agreement to transfer the management of the Company to the gentlemen who were managing the Canadian National Railroads plus the one other important feature of enhancing the value of the Grand Trunk stock.

Mr. McKenzie's amendment was negatived by 91 to 61 votes.

Government Amendments.

The Minister of the Interior (Hon. Arthur Meighen) during the discussion of the Bill by the House in Committee moved the following amendments, all of which were agreed to:—

1. An amendment naming Sir Walter Cassels, Judge of the Supreme Court, as third administrator.

* The Hon. W. L. Mackenzie King, who was chosen as Leader of the Liberal Party on the 8th August, 1919, took his seat in the House of Commons on the 23rd October. Mr. D. D. McKenzie, however, continued to lead the Opposition during the Special Session at the request of Mr. Mackenzie King.

2. An amendment withdrawing Section 8 of the Bill, which allowed the Government to make loans to the Committee of Management upon the votes or other obligations of the Grand Trunk for the purpose of carrying on the operation or improvement of the system. In moving this amendment Mr. Meighen said he did not think this clause was necessary. If any money was needed in regard to operation, an appropriation would be asked for in the Estimates.

3. An amendment for adding words to the Preamble empowering His Majesty to acquire the four per cent. guaranteed stock.

Further Amendments Proposed.

The Hon. W. S. Fielding, in the Debate on the Hon. J. D. Reid's motion for the third reading of the Bill, asked the House to admit that this matter of public ownership, as applied to the great railway of the country, was a large and important question upon which a great many of the wisest men in the country entertained a serious difference of opinion. He believed the sober sense of the country would say that they had not the knowledge nor the information which would enable the House or the country to understand the matter. He therefore moved, *inter alia*, that the Bill should not now be read a third time, but that the Government should appoint a Commission composed of men of recognised ability and experience in railway management to make a full inquiry into the affairs of the Grand Trunk and its subsidiary companies and to make a full report for the information of Parliament.

The amendment was negatived by 91 to 50 votes.

The Hon. W. L. Mackenzie King appealed to members as business men to be cautious, and he appealed to them as Members of Parliament, elected to express the will of the people, to endeavour to make the executive responsible to Parliament in the fullest sense of the word. He therefore moved an amendment that the agreement should be submitted to the ratification of Parliament.

The amendment was negatived by 90 to 55 votes.

The following amendments, which were negatived, were also moved :—

That the value of the guaranteed stock should be submitted to arbitration (Mr. J. A. Campbell, Liberal, *Nelson*).

That no award of the arbitrators should be final until it had been ratified by Parliament (Mr. J. J. Denis, Liberal, *Joliette*).

That before taking action the Government should give an immediate assurance to the House that it did not intend to divert Canadian trade from Canadian ports by taking over that portion of the Grand Trunk Railway situated and operated in the United States (Mr. G. Parent, Liberal, *West Quebec*).

DEBATE IN THE SENATE.

In moving the second reading of the Bill in the Senate on 5th November,

The Hon. Sir James Lougheed (Leader of the Senate and Minister without Portfolio) said that one of the first objections to the Bill with which the Government had been met was that it had been thrust upon Parliament unexpectedly. It had, however, been a subject of public discussion for almost two years past. This legislation of to-day was the logical result of the legislation which was placed upon the statute books by the Government of Sir Wilfrid Laurier in 1903. If any of them had paused to think at that time what it meant to construct a trans-continental system from Moncton to the Pacific coast, and expend thereon in principal and interest on the main line almost \$400,000,000 and saddle a cost of almost 120 odd millions of dollars on the Grand Trunk system, which almost from its very inception had been struggling with financial difficulties, they would have realised that the results were inevitable. They were now placed in the position of accepting the alternative of practically abandoning a scheme upon which this money had been spent or proceeding, as any intelligent business men would do, to acquire other property which would give life and vitality to the enterprise which was then undertaken. Inasmuch as they had committed themselves to taking over the National Trans-Continental, the Grand Trunk Pacific and the Canadian Junction, by which they practically controlled the railway situation in Western Canada, but without having any feeders in Eastern Canada, they must necessarily take over the Grand Trunk Railway system. They had reached a stage in their civilisation when the nationalisation of public utilities, including the transportation business had come to stay.

The Hon. H. Bostock (Leader of the Opposition) computed that the liabilities which they had already assumed amounted to \$953,405,301. The assets of the railway did not pay the interest on the liabilities or the working expenses. When they counted up the figures and found that they were losing money they realised that the situation was a very serious one for Canada, and they should very carefully consider the proposed agreement before they adopted it, and thereby placed a further

liability on the shoulders of the people of Canada and added to the debt of the country.

The question of building up a port in the United States as against their own ports was, he thought, a very serious one. The freight business of the country was much more likely to go to Portland than to go the extra distance to St. John or Halifax. He thought that before entering into this arrangement they were entitled to have the full agreement submitted to the House and the country.

The Hon. W. B. Ross (*N.S.*) said that the statement was made that if they did not acquire the Grand Trunk, the Canadian Pacific Railway would get it, but that was prevented by the legislation of 1884.

But, above all, there was the question of how far the people of the United States, as well as the State and Federal Governments, were going to accept the situation of a foreign government having acquired such a big property in their country. On this question of the extra territoriality of the 1,600 miles of this road alone he would vote against the Bill.

The Minister of Labour (**Hon. Gideon Robertson**) argued that the Government of the United States was operating 2,000 miles of railway in Canada, while the Government of Canada, as owner of the stock of the Canadian Northern Railway Company, was operating some 250 miles of railway in the United States without any interference.

With reference to traffic Mr. Robertson gave figures showing that a very large and important part of the population of Ontario and Quebec was not served by the Canadian National Railway, which could not have access to them under present conditions.

The Hon. J. P. B. Casgrain (*Que.*) declared that in England the railroads in the hands of the Government had not been paying. There they had 2,000 people for every mile of road. What, he asked, could 185 persons per mile in Canada do? The railroads in the United States were losing \$1,500,000 a day under Government control.

The railways created by private enterprise in the United States had the lowest rates of any country in the civilised world. And while they had the lowest rates of transportation, the same railroads under private enterprise had paid the highest wages of any country in the world, and had done all this on less capital than any other country in the world.

The Leader of the Senate, during consideration of the Bill by the House in Committee, moved the following amendment, on 7th November, based on a suggestion put forward by the Hon. G. Lynch-Staunton, which was agreed to:—

“The value, if any (*i.e.*, of the preference and ordinary stocks), so determined (*i.e.*, by the Board of Arbitrators)

shall not be greater than an amount on which the annual dividend at four per cent. per annum on the aggregate face value of the present guaranteed stock and the new guaranteed stock, taken together, would exceed £5,000,000. The fixing of this limit shall not be taken by the Arbitrators as an admission or indication that the value to be determined is the amount so fixed, or any other amount."

This amendment was concurred in by the House of Commons by 57 to 28 votes.

FINANCIAL OBLIGATIONS OF CANADA.

The Minister of Trade and Commerce (the Right Hon. Sir George Foster), in answering a question put by Mr. J. A. Robb on 9th October, said that the difference between the gross debt (\$2,907,669,041.50) and the net debt (\$1,670,263.52) of Canada was made up as follows:—

Sinking Funds	..	..	..	\$18,667,513.13
Other Investments..	..	..	..	343,662,592.52
Province Accounts	..	..	..	2,296,327.90
Miscellaneous and Banking Accounts	..	..	..	872,776,916.43
Total Assets	..	..	..	<u>\$1,237,403,349.98</u>

The amounts of bonded debt due by Canada payable respectively in Canada, the United States and Great Britain, on 31st August, 1919, were:—

Canada	..	..	..	..	\$1,513,516,567.76
London	..	..	..	..	362,703,312.40
New York	..	..	..	..	135,873,000.00

The estimates for 1919–20 provided \$102,767,625.94 as interest on the public debt.

SOLDIERS' CIVIL RE-ESTABLISHMENT ACT AMENDMENT.

This Act, which was assented to on 10th November, amends the Department of Soldiers' Civil Re-establishment Act so as to give the Minister

"Control of all such matters as are assigned to him from time to time by the Governor in Council, relating in any way to the re-establishment in civil life of all persons who since August 1st, 1914, served in the Naval or Military Forces of His Majesty or any of His Majesty's Allies, and to the care of the dependants of such persons."

In introducing the Bill in the House of Commons on 15th September,

The President of the Council (Hon. N. W. Rowell) explained that the work of the Department of Soldiers' Civil Re-establishment had been carried on under the provisions of certain Orders in Council passed under the War Measures Act. With the coming of peace it was necessary to continue to carry on the various branches of the work of the Department, and the object of the Bill was to authorise the latter to make the necessary regulations for that purpose.

In moving the second reading of the Bill, Mr. Rowell said that there were British reservists in Canada and Canadians who served in the British Army, and there were Canadian citizens in Great Britain who served in the Canadian Army. Reciprocal arrangements were being worked out whereby the Government of Canada would act for the Imperial Government in giving the necessary training or medical treatment to soldiers who formed part of the British Army, and *vice versa*. Similar arrangements had been made with the United States, and it was anticipated that an understanding would also be arrived at with France, Australia, and New Zealand. Mr. Rowell, after emphasising the necessity of restoring soldiers to civil life without delay, went on to explain the work of the Department and its branches.

The Bill was referred to a Special Committee (whose report was agreed to after considerable discussion), and was passed by the House of Commons on 7th November.

DOMINION LANDS ACT AMENDMENT.

This Act, which was assented to on the 10th November, 1919, amends the Dominion Lands Act so as to give priority of treatment in obtaining Dominion lands to soldiers who have been on active service in the armies of the Empire or of the Allies and to enable enemy aliens, in certain circumstances, to obtain patents for their land.

The Act provides that wherever any parcel of Dominion lands becomes available for entry, the right of making entry is to be restricted, for one day after the expiry of the term of advertising, to persons who have been on active service in the Military forces of Canada, of His Majesty or His Majesty's Allies (provided they are ordinarily resident in Canada), and of any British Dominion or Colony. It is further provided that the requirement of the erection of a house is not necessary where service during the war is credited to the holder of an entry as the performance of his resident duties.

Section 4 of the Act allows an alien entrant who desires and is qualified to receive a patent for his land, save in that he is disqualified from receiving a certificate of naturalisation under the Naturalisation

Act, to apply to a judge of any superior, circuit, district or county court for a decision establishing his qualification. The decision of the Court is then to be sent to the Secretary of State, who has absolute discretion to issue a certificate that the entrant is or is not qualified to receive a patent.

HOUSE OF COMMONS.

The Minister of the Interior (Hon. A. Meighen), introducing the Bill on the 26th September, explained that it represented the ratification of Orders in Council which gave soldiers one day's priority of entry over civilians in relation to all Canadian lands that were open for entry after the passing of the Order in Council. It was also an endeavour to make some provision for those entrants in Dominion lands who came from enemy countries and who by reason of completion of duties and residence might be entitled to enter but could not get naturalisation for ten years under the Naturalisation Act and were consequently unable to get a patent during that time under the law as it stood. The provision was for judicial inquiry and certificate as to qualification for citizenship outside of the ten year limit and for the granting of a patent upon such certificate.

Speaking in Committee, Mr. Meighen said that the clause providing that the ordinary rule compelling any man who had entry to go into possession of his homestead within 14 months should not apply to men on active service or returned men who by reason of their disablement were unable to go into possession within the prescribed time.

Referring to the clauses dealing with aliens, Mr. Meighen said that this was an attempt to solve a really difficult problem. A substantial portion of their western homesteads were held by men who were of alien enemy birth. They obtained their entries at a time when under the law they were required to put in the three-years' term of residence, to make improvements, to take out their naturalisation papers, after which they would be entitled to a patent. Following the war a new Naturalisation Act was passed by which an alien enemy could not secure naturalisation for a period of ten years subsequent to the war. According to the Bill under discussion, if a judge certified that but for the ten years' clause a certain applicant would be entitled to naturalisation, then he might issue a certificate accordingly, and that certificate enabled the Secretary of State to dispose of the case. Therefore, the deserving alien enemy, if found fit, was enabled to procure his patent though forbidden to naturalise.

Replying to a criticism of Mr. D. D. McKenzie, Mr. Meighen said that absolute discretion was left to the Secretary

of State in granting a certificate of right and that this was also the principle of the British, Australian, and New Zealand Acts.

The Bill was passed without amendment.

THE SENATE.

The Hon. G. W. Fowler (*N.B.*), during discussion of the Bill in Committee, said that he did not consider it the duty of the Legislature to facilitate the making of alien enemies into citizens.

The Hon. R. Watson (*Manitoba*) said he was not there to defend aliens who had shown they were the enemies of Canada. He did not think they should receive patents at all. But there were thousands of people in the West who had been classed as alien enemies under the War Measures Act, because they came from Austria or Germany, but they were not in sympathy with the enemy at all. If such persons, who were good citizens and good Canadians, appeared before a judge and showed good reasons why they were entitled to patents, he thought it was right that the Court should make an order for the issue of the patents.

The Hon. G. H. Bradbury (*Manitoba*) did not believe that at this stage they should encourage immigration from alien enemy countries. They had a large number of them in Manitoba and there was no doubt they had failed to assimilate them. A great many of the strikers at Winnipeg were Englishmen, but these men were put into office and kept there largely by the votes of the thousands of foreigners who were behind them.

The Bill was passed by the Senate on 22nd October.

PATENTS OF INVENTION ACT.

This Act, which was assented to on 10th November, 1919, safeguards the interests of those who, owing to war conditions, were unable to fulfil the conditions of the Patent Act.

The Act provides for a time extension for fulfilling the conditions of the Patent Act in cases where the patentee, or the applicant for or proprietor of a patent has been unable to carry out these conditions by reason of active service, enforced absence abroad, or any other circumstance arising from the state of war, or where the carrying out of these conditions in the manner prescribed would, for similar reasons, be prejudicial to his rights and interests.

In cases where the Minister may deem it expedient he is empowered to order that neither the failure to manufacture in Canada any patented invention nor the importation of any such invention into Canada during

the continuance of the war and for one year after it, shall in any way affect the validity of the patent.

The Act also safeguards the rights of persons who have lawfully used, manufactured, or sold inventions covered by the patent while it was void, and adds a proviso that nothing contained therein shall affect any patent rights covered by the terms of the Treaties between enemy countries and the "Allied and Associated Powers." The last-named words were substituted in Committee for the words "British Empire" (see p. 120).

DEBATE IN HOUSE OF COMMONS.

The Minister of Justice (Hon. C. J. Doherty), in introducing the Bill on 6th October, said that its purpose was to afford a remedy for persons holding patents of inventions who, by reason of war conditions, might have been prevented from fulfilling the requirements of the Patent Act. It was intended to confer power upon the Minister in appropriate cases to revive a patent when failure to comply with the statutory requirements was attributable to war circumstances. Provision was also made for the protection of persons who, while the patent had lapsed, might have begun the manufacture or sale of the patented article. In the Treaty of Peace provisions were made for such a revival in regard to the rights of their nationals in Germany or of German nationals in Canada where patents had lapsed under similar conditions. The purpose of this legislation was to give a like remedy in cases of patents held by people in Canada, but only in circumstances where there arose no question as between their nationals and enemy nationals.

Mr. D. D. McKenzie (Liberal, Acting-Leader of the Opposition), during consideration of the Bill by the House in Committee, expressed doubts whether parties who had begun to produce the article which was supposed to be covered by the patent were sufficiently safeguarded. Mr. Doherty replied that sufficient provision was made for this, and, to meet a further suggestion by Mr. McKenzie, added an amendment, which was agreed to, to the effect that all parties interested should receive due notice of the hearing of claims.

Mr. J. A. Currie (Unionist, Simcoe, Ont.) thought that the Bill was really intended for the revival of German patents.

The Minister of Justice replied that the Bill was intended principally for soldiers who had been absent at the war and that the Act would have no application to any rights that were governed by the Peace Treaty.

Mr. A. R. McMaster (Liberal, Brome, Que.) took exception to the words "British Empire." He suggested that it would be wise to employ the words "associated British Commonwealths." As an example of how dangerous it was to continue

to employ these words, he had been given to understand that the feeling of soreness in India aroused through their prohibition of Asiatic emigration was directed not only against Canada but against the British Government because the words "British Empire" connoted the idea that Canada was in a position of inferiority to Great Britain and that legislation for which Canada was solely responsible was through mere nomenclature considered to be legislation for which the people of Great Britain and Ireland were responsible.

The Minister of Justice thought there was a good deal to be said for the proposition that the word "Empire" was not a suitable designation, but they would not take it upon themselves, of their own authority, to change that name. The whole question could be avoided by using the words "Allied and Associated Powers." On Mr. Doherty's motion an amendment was agreed to substituting those words for "British Empire."

THE SENATE.

After some discussion on the necessity for safeguarding the interests of the manufacturers the Bill was passed by the Senate on 24th October.

CRIMINAL CODE AMENDMENT ACT.

The Act, which was assented to on 10th November, 1919, provides that aliens shall not have any firearms or weapons in their possession without a permit.

In moving for leave to introduce the Bill on the 6th October,

The Minister of Justice (Hon. C. J. Doherty) explained that at present the general law required a licence only for the carrying of such firearms as were susceptible of being concealed on the person. The purpose of this amendment was to strike out certain words in the Act so that with regard to firearms generally the prohibition would apply to aliens, who would be required to have a licence to carry any kind of firearms.

Speaking at the Committee stage, Mr. Doherty said, in reply to a question by Mr. Jacobs, that as regarded any weapon susceptible of being concealed on the person there was no distinction between the law as applicable to a British subject or as applicable to an alien, nor did this provision make one.

Mr. S. W. Jacobs (Liberal, *George Etienne Cartier, Que.*) contended that it was against all principles of British law

that they should have one law for the alien and another for the British subject.

Mr. J. A. Maharg (*Unionist, Maple Creek, Sask.*) thought that if these aliens were fit persons to live in Canada, they should be treated the same as anybody else; if they were not fit persons, they should not be admitted to the country at all.

Mr. I. E. Pedlow (*Liberal, Renfrew, S. Ont.*) contended that men who had come out to the country as long as sixty years ago would be interfered with in the exercise of their rights, and that this proposal would arouse a great deal of dissatisfaction among a class of people who were good British subjects. **Mr. Doherty** replied that those who had been in the country long enough to obtain naturalisation would not come under the Act. Crimes of violence were disproportionately frequent among newly-arrived aliens.

Mr. W. D. Euler (*Liberal, Waterloo, N. Ont.*) said that he had protested against the clause in the amendment to the Naturalisation Act which made it necessary for men of alien enemy birth to reside in Canada for another ten years before they could obtain naturalisation. Hundreds of aliens were leaving the country because they thought it no longer a fine country.

The Solicitor-General (*Hon. H. Guthrie*) had received petitions from practically all the larger places in Western Ontario asking Parliament to pass legislation absolutely to prohibit the use or possession of such weapons by aliens.

Mr. H. M. Mowat (*Unionist, Parkdale, Ont.*) thought it important that when an alien arrived he should learn at once that the country was going to have supervision over his habits.

The Bill was passed by the Senate on 16th October.

TEMPERANCE ACT AMENDMENT.

This Act, which was assented to on 10th November, gives the electors of a province the means of obtaining Federal legislation to prevent the importation of intoxicating liquor into the province.

The Bill, as introduced into the House of Commons, provided that upon the receipt by the Secretary of State of a duly certified copy of a resolution passed by the Legislative Assembly of any province requesting that the votes of the electors of the province may be taken for or against one or both of the following prohibitions, viz. :—

(A) that the manufacture of intoxicating liquors may be forbidden in such province;

(B) that their importation into such province may be forbidden;

the Governor in Council may issue a proclamation providing for the poll and declaring prohibition in force if more than one-half of the total vote is in favour of it.

Amendment.

The Bill was subsequently amended by striking out clause (A) above and by limiting legislation to those provinces "in which there is at the time in force a law prohibiting the sale of intoxicating liquor for beverage purposes."

The Minister of Justice (Hon. C. J. Doherty), in introducing the Bill on 7th October, explained that this legislation in effect extended the principle of the Canada Temperance Act so as to enable the majority of the electors of a province to create a situation under which the manufacture of liquor in, or its importation into, that province would become absolutely prohibited.

In moving the second reading of the Bill on 8th November, Mr. Doherty said that the legislation was Dominion-wide. It did not purport to confer any legislative power upon the provincial legislatures. It certainly could not be suggested that provincial legislatures had any legislative authority over the importation in general of intoxicating liquors from the area of one province into that of another.

He proposed, however, when the House went into Committee to amend the Bill so as to make its provisions apply only to prohibition of importation, because as a result of legislation which they had already passed (*i.e.*, the Act in Aid of Provincial Legislation, see page 123), without any plebiscite whatsoever, they had in any province which already prohibited the sale of intoxicating liquor also prohibition of manufacture in that province of any liquor to be sold therein.

There was an additional amendment which he proposed to make; that any request emanating from the people of a province for the above legislation must come from a province which itself had already prohibited within its borders the sale of intoxicating liquor for beverage purposes. The reason for this was that there would be no purpose to prevent importation of liquor into a province if within that province its sale was permitted.

Mr. D. D. McKenzie (Liberal, Acting-Leader of the Opposition) submitted that a prohibitory law, in order to be effective, must be universal.

The Hon. W. S. Fielding (Liberal, *Shelburne and Queen's, N.S.*) strongly urged the Minister of Justice to accept the vote of the legislature of the province as the declaration of what the province wanted and not to put the people to the trouble of taking a plebiscite in a matter of this kind.

The amendments as indicated by Mr. Doherty were agreed to at the Committee stage of the Bill.

The Bill was passed by the Senate on 10th November.

INTOXICATING LIQUORS ACT AMENDMENT.

This Act, assented to on 10th November, is an amendment of an Act which was passed in 1916 in aid of provincial legislation prohibiting or restricting the sale or use of intoxicating liquors.

The Act forbids the manufacture of any intoxicating liquor if it is known or intended that such liquor will be thereafter dealt with in violation of the law of the province.

The remainder of the Act deals with prosecution and penalties.

The Minister of Justice (Hon. C. J. Doherty), in introducing the Bill on 7th October, said that the purpose of the Bill was to amend the Act in aid of provincial prohibitory legislation by making its provisions, which now extended only to the importation of liquor into a province to be used in violation of the laws of that province, to the manufacture of liquor within the province.

The Bill was passed by the Senate on 10th November.

IMPERIAL CONFERENCE.

Canadian Representation.

In the House of Commons, on 10th November, the question was raised as to the representation of the Dominion at the special Imperial Conference, which is to consider the constitutional relations of the Empire.

Mr. E. Lapointe (Liberal, Quebec East) said that in the near future a very important special Imperial Conference was to be held to discuss and settle the future policy of the Empire so far as the relations of its component parts were concerned. Everyone realised that this matter was of the utmost concern to the people of Canada, their national status, their destinies and their honour would be discussed and might be decided at the eventful gathering. "Therefore," he said, "I submit that the Government which is to be entrusted with the duty of representing our national interests at this important meeting should be in harmony with public opinion."

The Minister of Justice (Hon. C. J. Doherty), in the course of his reply, said, "It has already been stated that when the Conference does come about, in virtue of its importance, it would be thought proper to ask representatives not only of one side of this House, to form part of the Delegation which will represent Canada."

AUSTRALIAN COMMONWEALTH.

*The Commonwealth Parliament re-assembled on 25th June, 1919, in continuation of the Second Session (Seventh Parliament) which commenced on 17th February, 1917. Parliament was prorogued on 28th October, 1919.**

PEACE TREATY RESOLUTION.

On 10th September, 1919, the Prime Minister moved that the House of Representatives approve the Treaty of Peace between the Allied and Associated Powers and Germany, signed at Versailles, on 28th June, 1919.

DEBATE IN HOUSE OF REPRESENTATIVES.

The Prime Minister (the Right Hon. W. M. Hughes) said that the acceptance by the Allies of President Wilson's fourteen points as the basis of Peace, very materially affected the subsequent negotiations, and, indeed, the whole of the Treaty.

Consultation of Australia.

He defended the attitude he had taken up in England, which was not that Australia should have been consulted as to the terms of the Armistice, but as to the terms of Peace. On the day following the issue of the Allied Note he had asserted that Australia had a right to demand that, in the terms of Peace, her territorial integrity should be guaranteed, and that those islands which were the gateway to her citadel should be vested in Australia. The terms of Peace did not guarantee that. Separate and direct representation at the Peace Conference, however, was conceded to Australia, and by that recognition Australia became a nation.

League of Nations.

The League of Nations might be regarded as the foundation of the new temple of civilization. Not all causes could be submitted to this tribunal. Matters which were solely within the domestic jurisdiction of a nation were not proper subjects

* The House of Representatives was dissolved on 3rd November, and three senatorial seats for each State became vacant by rotation. The General Election was held on 13th December, and, according to latest advices, the composition of the House of Representatives is: 40 Nationalists (led by Mr. Hughes), 9 Farmers' Union, 26 Labour Party. All the 18 senatorial seats appear to have been won by the National Party with the exception of one in New South Wales. This leaves the Senate with 35 Nationalists and 1 Labour representative, viz.: The Hon. Albert Gardiner.

for inquiry by the League. Other matters—and this had been inserted at the instance of the President of the United States himself—such as regional understandings like the Monroe doctrine, could not be submitted to this tribunal. It was proper, therefore, that a like doctrine should be promulgated on behalf of Australia. While the Monroe doctrine exempted the whole of the two Americas from the jurisdiction of the League of Nations, Australia would not allow anything relating to her sphere in the Pacific to be regarded as a proper subject for submission to that tribunal.

White Australia.

At the Peace Conference they had urged the maintenance of the "White Australia" policy and that Germany should pay Australia's huge burden of debt of £350,000,000 and also what the war had cost Australia. At the Conference it had been difficult to make the Council of Ten realise how utterly the safety of Australia depended upon the possession of New Guinea, New Ireland and New Britain, etc., and they had sought to obtain direct control over them. But President Wilson's fourteen points forbade it. The principle of the mandate was forced upon Australia, and they had to see that it was consistent, not only with their national safety, but with their economic, industrial and general welfare. It was sought to couple the mandate with the condition of an open door for men and goods, which meant that Australia's control of trade and navigation would be gone, and that within eighty miles there could come pouring in those who, when the hour should strike, could pounce on the mainland. The mandate, however, as it then stood, gave the Commonwealth Government the same rights to make laws over the islands as over the mainland, subject to five reservations. There could be no sale of firearms to the natives; no native armies raised except for the mere defence of the territory; no sale of alcohol to the natives; no fortifications; and no slave trade. These reservations, however, were not limitations at all on the sovereign power which was necessary for Australia's salvation.

Referring to the "White Australia," policy, Mr. Hughes observed that Australia was the only community in the Empire where there was so little admixture of race. They in Australia were, he said, more British than the people of Great Britain. The White Australia policy was safe, though he and his colleagues had to fight hard to uphold the principle. He hoped that Australia would always remain on terms of perfect friendship with Japan as with all nations; but they claimed the right to say in regard to Australia who should enter and who should not.

Reparation.

Australia's claim in the way of reparation* was for £464,000,000, made up of £364,000,000 actual war expenditure, and £100,000,000, the capitalized value of pensions, repatriation, etc. It would be seen then, what a serious thing it was for Australia that President Wilson's fourteen points should have been accepted, and the cost of the war excluded from the amount of reparation demanded. Of the £100,000,000 due to Australia, it was possible that between then and April, 1921, anything from £5,000,000 to £8,000,000 would be received. The rest of the payment was spread over thirty years.

Labour Charter.

Mr. Hughes referred to the Labour Charter, which he said was an honest endeavour to create conditions in every country whereby the standard of living would be raised and the conditions of labour generally improved.

The Hon. F. G. Tudor (Labour, Leader of the Opposition) was of opinion that it did not matter whether or not the Australian Parliament agreed to the ratification, as it would in any circumstances be signed by Great Britain. He regretted that the Treaty did not contain any definite proposal for the reduction of armaments and for the absolute abolition of conscription. The provisions in that direction in the Covenant were not drastic enough. He welcomed the article providing for the registration of all treaties and agreements with the Secretariat, and added that it would be a good thing if all treaties entered into before and during the war were registered also.

The Minister for the Navy (the Right Hon. Sir Joseph Cook) referred to the Peace Treaty with the League of Nations and the Labour Charter as the Magna Charta of the new world. The disarmament of Germany had brought her economic relief. It therefore behoved the Allied nations to study disarmament and the League provided for this. He was not fearful, however, of German competition in commerce in the near future. Australia had been rid once and for all of the German menace in the Pacific. The mandatory principle prohibited the preparation of any naval or military force in the islands. This was a great gain to Australia and a great element in the security which he hoped would come to Australia

* Earlier in his speech Mr. Hughes explained that he had been Chairman of the British Reparation Committee, which had held its meetings in London prior to the Conference, and that he had been Vice-Chairman of the Allied Commission, which met in Paris, and comprised all the nations chiefly interested in Reparation.

as she developed the islands for the benefit of the Empire. The islands to be taken over by Australia had in 1912, shown a deficit of £60,000, but he was hopeful that they would soon, by judicious management, be a source of revenue.

Mr. J. H. Catts (*Labour, New South Wales*) said that the result of the Peace negotiations was that Australia was in an infinitely worse position strategically than before the war. Australia's frontier had been taken northwards to Rabaul, but Japan's frontier had been carried southward, 3,000 miles to the Equator. He asserted that the internationalization of these islands, as suggested by America, and the creation of a buffer state would have been better for Australia, and for the safeguarding of the "White Australia" policy. Australia had been given control over islands with which she could do nothing. Australia's representatives had agreed to territorial concessions to Japan which were a deadly menace to the country. The concessions had been made, not at the Peace Conference, but in 1916-17 by agreement between the British and Japanese Governments in which the then Commonwealth Government concurred.

Mr. W. M. Fleming (*Nationalist, N.S.W.*).—If the Australian delegates had not stood firmly to their contention that Australia should have a free and equal voice in the Council of the League of Nations, Australia would have been as absolutely under the domination of the United States of America as were the South American States.

Mr. W. F. Finlayson (*Labour, Queensland*) was apprehensive of the danger of leaving Germany out of the League of Nations in that she might combine with Russia, which was a danger they should do well to avoid.

Dr. W. Maloney (*Labour, Victoria*) believed that if Japan entered the League of Nations the foundation of lasting peace would be laid. She had "played the game" during the war and her fleets had protected Australia's coastal cities. Japan had been a loyal ally; let Australia treat her as an ally that helped her when she was on her knees.

The Hon. W. O. Archibald (*Nationalist, South Australia*) said that the opinion of Mr. Catts with regard to Japan did not reflect the opinion of the people of Australia. There might be something in his view that Japan would be 3,000 miles nearer than she ought to be to Australia, but he did not think that the buffer state of Afghanistan rendered the relationship between Great Britain and Russia less friendly. Australia's representatives at the Peace Conference had insisted that the White Australia policy should not be interfered with, but it had been done respectfully and kindly, and he did not believe Japan was half as sore about it as some people in Australia tried to make out.

Mr. E. Riley (Labour, N.S.W.) deprecated the criticisms that had been made against the provisions in the Peace Treaty in regard to the mandate given to Japan. It had been suggested that Australia's responsibilities had been increased, and that there was greater danger of foreign aggression than before the war, but from that view he differed entirely.

The Prime Minister in reply to the assertion that it did not matter whether or not Australia signed the Peace Treaty, said that if it was not done, Australia would lose her membership in the League of Nations, and would have no right to the mandate in the Pacific. He was not responsible for the allocation of the Pacific Islands, nor was Australia responsible. They had merely acquiesced in an arrangement already made. It had been said that it would have been better had the islands been internationalized. Nothing was surer than that international control would mean the complete demolition of the "White Australia" policy. In the League of Nations Commission, where the question of equality of racial treatment had been decided, there was an overwhelming majority against Australia. They were 5,000,000 people, and they arrogated the right to say to the whole world, "You cannot come in here without our consent," yet Mr. Catts would have them entrust to those who knew nothing of their circumstances, or understood their ideals, control over their destiny. Under international control Australia could not secure the trade of these islands, which legitimately belonged to her. In the allocation of the islands Australia acquiesced in a situation determined by authorities outside. The British Government had asked them to act in a certain way, and they had done it.

The question was resolved in the affirmative.

DEBATE IN THE SENATE.

The Minister for Repatriation (Senator the Hon. E. D. Millen), in moving that the Senate approve the Peace Treaty, on 17th September, said that the mandate had many advantages, for, had the islands been handed to Australia in any other form, it was reasonable to assume that the islands north of the Equator would have been given to Japan under similar conditions. The restriction in the mandate with regard to fortifications applied equally to Japan with respect to the islands placed under her charge. But for it there might arise circumstances which would induce Japan to fortify the islands north of the Equator, and Australia would be called upon as a measure of self-protection to fortify those south of the Equator. All their economic powers and privileges remained the same.

He commended the Labour Covenant from which Australia had everything to gain. There had been in the minds of the

most thoughtful people in Australia the grave doubt that in certain lines of manufacture Australia might not become exporters because the labour costs abroad were cheaper than in Australia. If the labour costs elsewhere were on a parity with those in Australia they should be in a better position to compete.

Senator the Hon. A. Gardiner (Leader of the Opposition) said that the conscience of the world had been expressed by President Wilson in the speech in which he had laid down the fourteen points, the wording and sentiment of which was almost identical with the proposals made by the Australian Labour Party some time previously. The Labour Party did not expect penal indemnities or acquisition of territories. Australia had got a mandate over certain Pacific Islands, the effect of which, Honourable Senators opposite would say, was agreed upon between Japan and Great Britain—Australia being a consenting party—some three years previously. He was a member of the Australian Labour Government at that time, and he certainly was not privy to any such agreement. His own view was that Australia already possessed a continent sufficient for the employment of all her energies for centuries to come, and, in respect to the management and control of the Pacific Islands he was convinced that if the great Powers gave equal rights to Japan in her sphere, Australia would not make much out of the mandate. Had the islands been placed under international control, their future would have been as satisfactorily disposed of as could be devised; but if Australia was to be given control and must pay the cost of the management without being placed in the way of earning enough revenue to balance the cost, then the effect would be merely to add another big item to the burden of the war debt. He was confident that world peace would be preserved by the establishment of the League of Nations. He desired to see a real peace, based upon equity and fair play, and upon a desire to link up in the League of Nations not only those nations with whom they had been allied, but those against whom they had been fighting.

Senator H. E. Pratten (N.S.W.) did not regard the mandate, in view of the "White Australia" policy, with complete satisfaction. The mandatory powers brought responsibilities. Australia already possessed in New Guinea 90,000 square miles of territory containing from a quarter to half a million coloured people, and the mandate over the late German possessions in the Pacific would double the area and population over which control would have to be exercised. New Guinea already cost the Commonwealth £50,000 per annum, and the mandate over the late German possessions would probably involve some monetary responsibility. As to

the financial aspect, all the oversea belligerents at the close of the war found themselves in a much better position than Australia. During the four years of war the excess of exports over imports in the United States had amounted to considerably over £2,000,000,000, and in Canada from £270,000,000 to £300,000,000. Even in New Zealand the excess of exports had amounted to £37,500,000; but in Australia the excess of exports had amounted only to about £30,000,000. The balance of trade in favour of the United States had amounted to nearly 75 per cent. of her war expenditure, whilst in the case of Australia it amounted only to 10 per cent. Australia's war debt of £350,000,000, as well as the cost of pensions and repatriation would, he was afraid, impose upon the people of Australia the permanent liability of £16 per head per annum for the carrying on of governmental activities—Federal and State. If the population of Australia remained at its present basis, the war debt alone would impose a permanent obligation in war taxation of an average of 10s. per week on every family of five throughout the Commonwealth.

Senator Allan McDougall (N.S.W.) expressed his appreciation of the fight Australia's representatives had made at the Peace Conference. The mandate might be a satisfactory arrangement, but he had hoped for a better one, and in the distant future Australia might regret it as sorely as Great Britain did the passing of Heligoland to German control. It was to be hoped that the mandate prohibition against the fortification of the Pacific Islands would be strictly enforced in the interests of Australia. Although they desired a great addition to their population to share the burden they were called upon to carry, he maintained it would be better to go slowly in order to insure a good white population. The terms of the Labour Charter were such as, even in Australia, with her advanced social legislation, had only been dreamt about. He did not know how the status of the unfortunate working classes was to be levelled up to the ideals set out in the Peace Treaty, but he was delighted that uplifting efforts were to be made.

Senator M. A. Ferriks (Queensland) differed from those who regarded as important the fact that Australia's diplomatic status had been raised, and had received recognition as a nation. He was suspicious that there was a danger in the new status, for if Australia built up her naval and military defences to the degree which might be called for by reason of that recognition, he feared it would not be long before the Commonwealth would be looked upon as important enough, in a military sense, to become embroiled in a war on her own account. He regarded the exercise of a mandate by Australia over the Pacific possessions as one of less responsibility and

danger than actual annexation, but would have viewed internationalisation as preferable even to a mandate.

Other Senators having addressed the House, the question was, on 1st October, 1919, resolved in the affirmative.

TREATY OF PEACE (GERMANY) ACT.

On 9th October, 1919, the Prime Minister introduced a Bill intituled the Treaty of Peace (Germany) Bill, which was subsequently passed by the Commonwealth Parliament and received assent on 28th October, 1919. The object of the Act is to enable the provisions of the Treaty of Peace with Germany to be carried into effect.

HOUSE OF REPRESENTATIVES.

The Prime Minister (the Right Hon. W. M. Hughes) pointed out that the provisions of the measure were limited to Part X. of the Treaty, because that was the only part as to which immediate Commonwealth legislation was required to enable them to fulfil their obligations. It enabled regulations to be made for giving effect to this part of the Treaty, and in particular, to Article 296. Provision was also made for penalties for any breach of those regulations. The Treaty provided that one of two methods might be taken for the settlement of enemy debts, or of cross debts between the Commonwealth and Germany, and they had adopted the "clearing house" method under which, where there was a set-off in favour of the Commonwealth, it was credited to the Commonwealth, and if in Germany's favour, to Germany. In dealing with enemy property both in the Commonwealth and subsequently in the mandated territories, if the Commonwealth resumed or took over property held by one who was an alien enemy, payment therefor was to be credited to Germany against Germany's debt to the Commonwealth under the reparation clauses of the Treaty. If the Commonwealth took over property of a value exceeding the amount Germany owed under the reparation clauses, the excess would be a debit against the Commonwealth; but if, on the other hand, the property taken over were less in value than the amount Germany owed the Commonwealth, the value would be credited to Germany against her debt to the Commonwealth.

THE SENATE.

The Bill was passed by the Senate on 22nd October with a slight amendment whereby the provision for the Governor-

General to make regulations and orders was limited to regulations. This amendment was moved by Senator the Hon. J. H. Keating (Tasmania) as regulations could be annulled, whereas orders were unchallengeable, by Parliament.

The amendment was accepted by the House of Representatives on 24th October, 1919.

FRANCE: ANGLO-AMERICAN TREATY.

On 10th September, 1919, the Prime Minister (the Right Hon. W. M. Hughes) moved:—

That the House of Representatives approve the Treaty made at Versailles on the 28th June, 1919, between His Majesty the King and the President of the French Republic, whereby, in case the stipulations relating to the left bank of the Rhine, contained in the Treaty of Peace with Germany, signed at Versailles on the 28th June, 1919, by the British Empire, the French Republic, and the United States of America, among other powers, may not at first provide adequate security and protection to France, Great Britain agrees to come immediately to her assistance in the event of any unprovoked movement of aggression against her being made by Germany.

Approved by the House of Representatives on 19th September, 1919.

IN THE SENATE.

The Vice-President of the Executive Council (Senator the Hon. E. J. Russell), in reply to a question raised by the Leader of the Opposition (Senator Gardiner), pointed out that Australia would be a party to the agreement only in so far as she felt morally bound by the decisions of the Imperial Parliament, or of the Government of the Mother Country. In the motion they approved of the fact that Great Britain, America, and France had entered into a certain agreement. That circumstance, however, did not put upon Australia the moral responsibility of actually participating in war. They might help France in many other ways; for example, by contributions either in money or in kind. It was a clear indication to Germany that she would not be allowed to break the Peace Treaty to which she had subscribed.

The Treaty was approved by Senate on 2nd October, 1919.

NAURU ISLAND AGREEMENT ACT.

On 18th September, 1919, the Prime Minister introduced a Bill to give approval to an agreement made between the Governments of the United Kingdom, Australia and New

Zealand relating to the Island of Nauru. The Bill was finally passed by the Commonwealth Parliament on 21st October, and received assent on 28th October, 1919.

DEBATE IN HOUSE OF REPRESENTATIVES.

The Prime Minister (the Right Hon. W. M. Hughes), in moving the second reading of the Bill, said that Nauru, which before the war had been part of the German Empire, was then occupied by Australian troops. The terms of the mandate provided that Nauru was to be vested in the British Empire, as distinguished from any particular part thereof. It was, therefore, a domestic question to be settled by the various members of the Empire amongst themselves. He had pressed the claims of Australia to have the same control over Nauru as over the other islands in the archipelago, but the Imperial Cabinet had finally decided to confer the joint control upon Britain, Australia and New Zealand. Before the war, the ownership of the phosphates, and the right to work them, had been vested in a British Company, in which there was a large German holding, since eliminated. The purpose of the agreement was to make the phosphates available at cost price to the three parties thereto, on the basis of the agricultural requirements of each. The proportions to which each of the parties would be entitled were set out in the schedule as follows: United Kingdom, 42 per cent.; Australia, 42 per cent.; New Zealand, 16 per cent.

The world's annual production of rock phosphates before the war had been 7,000,000 tons, of which the United States produced 3,000,000 tons and Algeria and Tunis 3,000,000 tons, the balance being made up from Ocean, Christmas and Nauru Islands. The pre-war production of Nauru was between 90,000 and 100,000 tons per annum, and the price 30s. per ton f.o.b. It was estimated that the island contained 80,000,000 tons of phosphates, which was a conservative estimate, but he would not commit himself to a definite figure. It was certain, however, that the deposits were valuable, and that Australia's share under the agreement was ample for her requirements for the next hundred years. The agreement vested in Australia 42 per cent. of the total output of the island, and would enable them to sell phosphates to the farmer at cost price. The estimated phosphate requirements of Australia for the next few years was 200,000 tons per annum. In 1915-16, 190,000 tons had been imported from Nauru and Ocean Island, equal to 88 per cent. of the total imported. During the same period, the United Kingdom imported only 50,000 tons of rock phosphates from the Pacific Islands, which was less than 10 per cent. of her requirements.

Of the artificial manures used in Australia 58 per cent. were rock phosphates. If Great Britain did not use her fair share of the output, Australia and New Zealand would be entitled to the quantity not required by Great Britain in the proportion of 42 per cent. to 16 per cent. The agreement would therefore have a tremendous influence on agriculture in the Commonwealth. Phosphates would be obtained at cost price; and, in addition, if Australia sold to the world her share of the quantity not required by Great Britain, she would be entitled to a share of the profits arising therefrom in the proportions already mentioned. The island was to be acquired in the manner set out in Article 7 of the Agreement, which read:—

“Any right, title, or interest which the Pacific Phosphate Company or any person may have in the said deposits, land, buildings, plant, and equipment (so far as such right, title, and interest is not dealt with by the Treaty of Peace) shall be converted into a claim for compensation at a fair valuation.”

This meant that if any right, title or interest was held by an enemy, it was covered by the Peace Treaty. If it was held by a British company, it would be acquired at a fair valuation. It had been decided that Lord Milner should endeavour to make an agreement with the Pacific Phosphate Company to take over their interest at a fair price, the cost to be borne by the three parties to the agreement in the same proportion as the allotment of the phosphates.

Administration.

The administration of the island would be vested in an Administrator appointed by each of the three Governments in turn, the first appointment to be made by the Commonwealth Government for a term of five years. The Administrator would be responsible for the government of the island as prescribed in the mandate in respect to the prevention of slavery, forced labour, sale of alcohol and the fortification of the island. Furthermore, he would be responsible for the maintenance of law and order, with power to make ordinances in regard thereto. His functions would be quite distinct from those of the Board of three Commissioners, one to be appointed by each of the Governments. The title to the phosphate deposits, land, buildings, plant, etc., would be vested in the Commissioners, each of whom would hold office during the pleasure of the Government appointing him. This was a business proposal, and the working of the deposits must be carried out on business lines. The Commissioners could not be interfered with in the exercise of their functions. A Government could remove its Commissioner and appoint another in his place. The Administrator was in a different position. He was to be appointed by the three Governments

in turn, and must not, therefore, interfere with the working of the phosphates. The deposits would be worked and sold under the direction and management of the Commissioners, subject to the terms of the agreement, and it would be their duty to dispose of the phosphates according to the agricultural requirements of the United Kingdom, Australia and New Zealand.

The Hon. F. G. Tudor (Labour, Leader of the Opposition) said that if it was intended that these phosphates on being brought to Australia were to be converted into merchantable manures by private enterprise, the Government would not be able to give the farmers cheaper manures. He had heard that the Pacific Phosphates Company intended to make an enormous claim for compensation. Great care would have to be exercised in the appointment of an arbitrator who was to decide what price should be paid. He should have preferred to have seen the terms of the mandate before voting on the agreement, but he hoped that the anticipations of the Prime Minister would be realised, and that the farmers would be assured an adequate supply of phosphates.

The Hon. Sir Robert Best (Nationalist, Victoria) did not think that the agreement as it stood would lessen the cost of phosphates to the farmer. The company's sale price to the manufacturers was thirty shillings per ton f.o.b., and the cost of production to the company, he had been assured, was twenty-three shillings, leaving seven shillings per ton profit, out of which head office charges, directors' fees and dividends had to be paid. He thought that if the island was administered in the way set out in the agreement it would mean increased cost of production. He did not agree with the Prime Minister that the output of phosphates from Nauru was capable of being increased. The physical conditions as to the means of loading and unloading were such that the output could not exceed 150,000 tons per annum. The Japanese were working deposits in neighbouring islands, and in addition to having their own labour, they were shipping the rock phosphate to Japan, where an unlimited supply of sulphuric acid was readily obtainable for the manufacturing of superphosphates. Japan would undoubtedly be a great competitor in the future.

The Hon. W. H. Kelly (Nationalist, N.S.W.), while supporting the agreement, thought that Australia should have had a complete mandate over Nauru as she had over the other Pacific Islands. That she had not was due, it seemed, to the fact that Australia had refused to pay the cost of the military occupation of the island. He hoped that there would be an inquiry into the matter.

Mr. J. Mathews (Labour, Victoria), Mr. M. Charlton (Labour, N.S.W.), and Mr. J. E. Fenton (Labour, Victoria)

were also of opinion that the cost of administration, as set out in the agreement, would preclude the possibility of cheaper phosphates for the Australian farmer.

The Minister for Home and Territories (Hon. P. McM. Glynn) said that several members had doubted the possibility of the determination of a fair valuation of the purchase price. The parties to the agreement had the sovereign power to declare the proper method of ascertaining what was a fair price. They could rest assured that the conditions of the agreement could be so carried out that the price paid by the nations concerned should be absolutely fair.

The Bill was read a second time and passed through the remaining stages without amendment.

DEBATE IN THE SENATE.

The Vice-President of the Executive Council (Senator the Hon. E. J. Russell), in moving that the Bill be read a second time, said that during the war half of the shares in the Pacific Phosphates Company had been sold, and the prices realised for them would form a basis for the determination of the amount of compensation due to the Company. He understood that the total value of the shares of the Company was well under £3,000,000. The working of the phosphate deposits would be largely a socialistic experiment, and he hoped that its success would not be jeopardised by the payment of exorbitant compensation.

Senator the Hon. A. Gardiner (Leader of the Opposition) objected to the ratification of the agreement which would bind them to take a 42 per cent. interest in a property, the value of which was not stated. They had been told that the island had unlimited prospects, but he was inclined to believe that the Company, which had been working the deposits for many years, had reached its full output, and that they could safely assume that it had practically reached the limit of its possibilities. He had been informed that the island had been purchased at the beginning of the war for £500,000. The whole proposal was questionable, and he appealed strongly to the Senate to consider its obligations in the matter. Even if looked upon in a favourable light there was no chance, under the proposed form of control of the island, of the farmer being supplied with phosphates at a lower price.

Senator H. E. Pratten (N.S.W.) did not consider it his duty to vote blindly for the agreement. They were entitled to know approximately the expenditure to which the agreement would commit the Commonwealth, and what return was likely to be received. He understood that the

capital of the Company working the phosphates was £500,000, and as far as could be adduced from the market value of the recently sold shares, the Pacific Phosphates Company's Nauru interests could be capitalised at approximately £2,500,000. If £3,000,000 was given as compensation to the Company for its rights, on a basis of 5 per cent., they would be undertaking a liability of £150,000 per annum. The f.o.b. price before the war was 30s. per ton, and since then £2 per ton. The interest alone on the compensation would amount to 30s. per ton, if only 100,000 tons per annum were exported. Under these circumstances the f.o.b. cost of the phosphate would be nearly double the rate charged before the war.

Senator the Hon. J. H. Keating (*Tasmania*), doubted whether the Commonwealth was competent constitutionally to enter into the agreement. The powers of the Commonwealth in respect to trade and commerce were very limited. They had always proceeded on the assumption that the Commonwealth could not trade nor enter into manufacture or production, although any State might do so. He thought this question and other questions arising out of the agreement ought to be inquired into and reported upon before Parliament was asked to ratify the agreement.

The Bill was passed by the Senate on 21st October, without amendment.

IMMIGRATION BILL.

(Exclusion of Aliens, Anarchists, &c.)

The Bill, which was introduced in the House of Representatives on 15th August, is to amend the Immigration Act, 1912, by providing for the exclusion of late enemy subjects, anarchists, etc.

The Bill includes in the category of prohibited immigrants :—

Any anarchist or person who advocates the overthrow by force or violence of the established government of the Commonwealth or of any State, or of any other civilised country, or of all forms of law, or who is opposed to organised government, or who advocates the assassination of public officials, or who advocates or teaches the unlawful destruction of property, or who is a member of or affiliated with any organisation which entertains and teaches any of the doctrines and practices specified in this paragraph ;

Any person of German, Austro-German, Bulgarian or Hungarian parentage and nationality, or Turk of Ottoman race—for the period of five years and thereafter until otherwise determined by proclamation ;

Any person who is not in possession of a passport issued to him by the Imperial Government or any Government recognised by the Imperial Government ;

Any person who has been deported in pursuance of any Act.

Provision is also made for the deportation within three years after arrival in Australia of :—

Any person who is an anarchist, etc., as specified above ;

Any person who has been convicted in Australia of a criminal offence punishable by imprisonment for one year or longer ;

Any person who is living on the prostitution of others ; or

Any person who has become an inmate of an insane asylum or public charitable institution.

The Bill extends the prohibition in regard to idiots and insane persons, to feeble-minded persons, epileptics, persons who have been insane within five years, and persons who have had two or more attacks of insanity.

The Minister for Home and Territories (Hon. P. McM. Glynn), in moving the second reading of the Bill, said that the object of the measure was to modify and, in some respects, extend the provisions of the Act in regard to prohibited immigrants, to bring within the power to deport a new class, and, for the purpose of more effective administration, to amend some sections of the Immigration Act that dealt with procedure.

Aliens.

Aliens had no right, speaking generally, to land in British territory unless, so far as the Commonwealth Act was concerned, they had been domiciled in the Commonwealth. The Bill made no fundamental alteration on the law as it stood. Although sovereignty might empower, it did not morally justify unreasonable exclusion of somewhat kindred races. In administration there must be vision and tolerance in so far as circumstances could justify them. That was the significance of the preamble to the Covenant of the League of Nations. He did not agree, for instance, with those who urged the suppression of German art within the United Kingdom. The object of the Bill was to protect, for a time, their individuality as a nation against outside deterioration ; but the Act must be administered according to the best and safest traditions of British constitutional government. Australia seemed less affected by foreign and mixed immigration than any other Dominion. The provisions in the Bill dealing with the prohibition of anarchists, etc., really covered the man who was opposed to organized government, and who wanted to substitute force for reason. There was nothing in the Bill that referred to a man like Prince Kropotkin, who believed in philosophic principles rather than in the application of physical force. If that provision were compared with those of the Canadian and American legislation, they would see that it was temperate with regard to the prohibition of such men into the Commonwealth.

Deportation.

It had practically been decided by the High Court of Australia that deportations should not take place except under statutory provision. In the existing Immigration Act deportation was expressly provided for, but only where there had been an evasion of the law. That was the principle of the Bill. It was not a general power to deport. It applied only to men who ought not to have come in, and, who by coming in had violated the principles of the Immigration Act. The Minister would be empowered to summon such persons to appear before a Board within a time and manner prescribed to show cause why they should not be deported. Every person so summoned would be allowed every opportunity of stating his case, and, in all probability, the hearing would be open.

The Hon. F. G. Tudor (*Labour, Leader of the Opposition*) said that under the provision excluding anarchists anyone might be refused entrance. It depended upon its interpretation. Men such as Donovan and Devlin might be excluded for advocating Home Rule for Ireland. The Government said they were aiming at anarchists, but the clause went further. It was contrary to a policy of which they as Britishers professed to be proud, and by which persons who had been driven out of any other country on account of the views they held might find sanctuary in Great Britain. The Minister had pointed out that the Government had power under the principal Act to deport prohibited immigrants, which meant that any person of German, Austrian, Bulgarian or Ottoman race found within the Commonwealth would be liable to deportation. He objected to the Bill which purported to keep every German out of Australia for five years, but which, by means of the passport provision, permitted wealthy Germans and German business men to enter.

Mr. Frank Brennan (*Labour, Victoria*) referred to the prohibition of Germans, etc., as an expression of the surplus of bitterness and vindictiveness to which they had been unable to give expression during four years of war. The clause showed a disbelief in and contempt for the League of Nations, and would tend to promote war after peace. The provisions in the Bill with regard to anarchists constituted a violent assault on the cherished democratic principle—the right of a people to assert the form of government under which they thought they ought to live. It would enable any Government to invest itself with discretionary powers to deport persons on merely political grounds.

Mr. W. F. Finlayson (*Labour, Queensland*) said that in view of Australia's immigration problem he opposed the exclusion of Germans. Australia was in the same position as

that of the United States many years ago, when the population of its vast spaces was a matter of extreme urgency.

Mr. J. E. Fenton (Labour, Victoria) interpreted the clause which prohibited the entrance of any person who did not hold a passport to mean that any German who held such a passport would be allowed to enter. By this means, wealthy German merchants would come into the country and introduce German goods; and he would rather such foreigners should come to Australia and work under Australian conditions, than that the products of their labour should come into the country unhindered.

Sir Robert Best (Nationalist, N.S.W.) pointed out, in regard to the paragraph under which any person who had been deported in pursuance of any Act might be refused entrance to Australia, that the only Act to which that could refer was the Unlawful Associations Act of 1916, which declared to be unlawful the association known as the Industrial Workers of the World and any association which advocated the endangering of human life or the destruction of property. He regarded the clause as well designed, and calculated to purge Australia of an undesirable class of persons.

The Minister for Home and Territories, in reply, said that the prohibition of Germans would be only for a few years until, he thought, Germany became a member of the League of Nations.

The Bill was passed by the House of Representatives, without amendment, and read a first time in the Senate on 29th August. It had progressed no further when the Commonwealth Parliament was prorogued on 28th October, 1919.

CONSTITUTION ALTERATION (LEGISLATIVE POWERS) 1919.

This proposed law originated in the House of Representatives on 1st October, 1919, and finally passed both Houses of Parliament on 10th October, with an absolute majority of each House.

As required by the Constitution in the case of any proposed amendment thereof, it was, on 13th December, 1919, submitted to a referendum throughout the Commonwealth, and, according to latest cabled advices from Australia, appears to have been rejected. Similar referenda were rejected in 1911 and 1913. Preparations were made in 1915 for a further referendum, but it was abandoned on the States agreeing to introduce Bills into their respective Parliaments conferring most of the desired powers on the Commonwealth for the

period of the war and one year thereafter. Only one State passed the Bill, viz., New South Wales.

The object of the proposed law is, subject to acceptance by the people, to extend the powers of the Commonwealth Government in respect to Trade and Commerce, Corporations, Industrial matters, and Trusts and Monopolies for a period of three years, or until a Convention constituted by the Commonwealth makes recommendations for an alteration to the Constitution, and the people endorse those recommendations, whichever first happens.

DEBATE IN HOUSE OF REPRESENTATIVES.

The Prime Minister (the Right Hon. W. M. Hughes), in moving the second reading, said that the war, and the situation which had arisen out of the war, had given a new importance and urgency to the question of the amendment of the Federal Constitution. During the war the matter was able to be postponed, because it was found that the defence power was wide and elastic enough to give the Commonwealth power to deal temporarily with a wide range of matters which, though outside the ordinary scope of the Commonwealth powers, had to be dealt with as part of the great task of organising all the social, industrial and financial resources of the country for the supreme struggle for national existence. The judgments of the High Court made it perfectly clear that whatever powers the Commonwealth had under the War Precautions Act had their roots in the defence sub-section.

After referring to the industrial unrest of the world, cost of living, profiteering and shortage of raw materials and other necessities, Mr. Hughes said the cure was drastic, and the programme of reform must deal with the whole intricate web of causes. Profiteering would have to be put down with a strong hand, but that was not enough. If they were to stimulate production, it was necessary to have full control of production, which involved control of both labour and capital, the elements of production. It was necessary to have full control of trade and commerce, by which the results of production were distributed and brought to the consumer. Trade was controlled by corporations and combinations of corporations; it was captured by monopolies; it, too, was affected by organisations of capital and labour. All these must be controlled, and the Government which controlled them must be able to do so fully and effectively, in order to deal with the problems as a whole, not only with a bit here and there. Unless it could so deal with it, Government was futile.

Powers required by Commonwealth.

First of all the Commonwealth would have to be able to deal fully and effectively with the whole field of industrial matters. Its powers as they stood in that regard were hopelessly inadequate. It could deal only with disputes between particular employers and employees, and then only by way of conciliation and arbitration. It had no jurisdiction at all unless the dispute extended beyond one State. Even then, it could not regulate the conditions of the industry; it could not make a common rule; and it could not provide for collective bargaining. The Commonwealth must have full control over industrial matters. That did not mean that it would supersede all State action in the industrial field, or the work of the State Industrial Tribunals. It would assist and supplement and harmonise them, but in order to do that effectively, it was necessary that there should be no fixed limits set to the sphere of its control. Next, it was necessary to have full control of trade and commerce. The Constitution drew an arbitrary line where there was no line in nature. Commerce was one indivisible subject-matter; it was the same thing whether it crossed a State boundary or not. The Commonwealth would undertake its general regulation for national purposes—as in the case of Canada.

Trusts and Combines.

Control of these was essential to control of the cost of living, and that control could not be effectively exercised by the States. They laughed at the then Commonwealth Trust Legislation, which was based on limited power. Only strong Commonwealth powers could meet the case.

Nationalisation.

To deal with monopolies effectively, there must be in reserve a power to nationalise them—to acquire the business, where that was necessary to protect the rights of the people. The power asked for was not a power to nationalise all businesses, but only those which were monopolies. It was only to be exercised on a resolution of both Houses passed by an absolute majority, after full investigation and report by the High Court, initiated by a special resolution of Parliament. This was an ample safeguard against the abuse of the power.

War-time Nature of Measures.

These amendments must be regarded as war-time measures. Although the war had ceased, they had to deal with the aftermath of the war—industrial unrest, the high cost of living, scarcity of material, and profiteering.

The Opposition (Labour) supported the Bill, but favoured wider powers than those conferred thereby. They were against the exclusion of power to legislate with respect to the control, management, rates and fares in connection with State-owned railways. An amendment moved by the Leader of the Opposition (Hon. F. G. Tudor) in this direction was negatived.

The Bill passed through the House of Representatives without amendment.

IN THE SENATE.

The Bill was received in the Senate from the House of Representatives and read a first time on 3rd October, 1919.

In moving the second reading, the **Vice-President of the Executive Council (Senator the Hon. E. J. Russell)** referred to the inability of the Commonwealth, under the Constitution, to legislate in connection with trade and commerce except with other countries and between the States. He said that owing to the many limitations which had been placed upon the Commonwealth, their powers in the direction of trade and commerce were, for all practical purposes, worthless. While the Commonwealth had the nominal power to legislate in regard to trade and commerce that power virtually ceased at the Customs House. It had been pointed out from time to time that Australian commerce was a matter that could not be dealt with on geographical lines, and yet it had been impossible to have a uniform law throughout the Commonwealth. The Commonwealth could not legislate for other than inter-state trade. It was generally admitted that there should be one control. The State authority operated only within the borders of the State, and the Commonwealth could not interfere with the internal trade and commerce of the States. It was desired, therefore, to place trade and commerce, with certain limitations, under one national authority. It was true that their power went a long way, but it was desired to extend it, and they should trust the Federal authority, as was done in the case of Canada. It could safely be assumed that the Commonwealth would exercise its powers with wisdom and judgment, and not endeavour to interfere with purely State matters. The proposal in regard to trade and commerce was to leave the Commonwealth absolutely free to legislate in any direction it thought fit, except as to the control and management of State railways and the rates or fares on such railways.

Corporations.

The amendment of the Constitution would give the Commonwealth Parliament complete control over all corporations or firms operating under State laws. The decision of the High Court was that the Commonwealth had no power to control corporations operating in more than one State. Practically 75 per cent. of the trade and commerce of Australia was controlled by corporations operating in more than one State, and, therefore, the States had control over the 25 per cent. of trading concerns conducting business within their borders. It was ridiculous to have different company laws in the various States as was the case.

Conciliation and Arbitration.

Further power would be given the Commonwealth so that it would be able to legislate on industrial matters in any direction they thought fit. The biggest problem facing, not only Australia, but the whole world, was that of industrial unrest. It was not intended to interfere with such local matters as could be effectively dealt with by the States, but to use the power for national purposes in connection with the control of large industries where there were likely to be disputes. As the Constitution then stood, the laws controlling seamen's compensation operated whilst the men were working within a State, but if the men should go beyond the limits of one State there was no power to legislate in their interests.

Trading Operations.

Although the Commonwealth possessed the requisite authority under the War Precautions Act, it was necessary that it should be embodied in their Constitutional powers. There might be a desire to continue certain of the trading operations of the Commonwealth for a year or two. The people in the Butter Pool,* for instance, might wish to continue the arrangement. If so, they should have the right, as a Government, to co-operate with that or any other industry. There was some doubt as to the Commonwealth power to trade in certain directions, notably in the production of cloth by the Commonwealth Government woollen mills. But, in view of the allegations of profiteering and an absolute shortage of material, there could be no doubt as to their moral right to utilise these national enterprises in the interests of the people.

The proposed amendment of the Constitution would be of a temporary nature because it was resolved that a democratic Convention should be summoned at an early date to review the Commonwealth and States Constitutions, but they were unable to wait until that Convention got to work, as it was

* See Commercial Activities Act, page 150.

necessary to deal at once with certain urgent problems with which Australia was faced. He thought that in regard to their National Constitution, there was no greater extremist than he, but he recognised that they were more likely to do something in the interest of Australia by the adoption of a reasonable course. He believed the Bill would achieve the desired purpose.

Attitude of the States.

During the Committee stage, **Senator Russell** said that Mr. Hughes had announced that the State Premiers, after hearing from him a statement of what powers were required to enable the industrial unrest and profiteering to be dealt with, expressed the opinion that the Commonwealth was asking for wider powers than were necessary. To meet that objection the Commonwealth Government had appointed three experts to consider the question. These gentlemen had come to the conclusion that the proposed power in regard to the creation by the Commonwealth of any corporation was not necessary. All corporations then in existence were operating under State laws. In view of the limitation of the powers asked for, namely, three years, or until as determined by the proposed Convention, this power was unnecessary, because it would not be fair to ask people in Australia to take any part in the formation of a company under a three years' charter. He asked the Committee to accept the amendment eliminating the provision for the creation of corporations. (Question put and resolved in the affirmative.) Power for the dissolution, regulation and control of corporations formed under the law of a State would be retained.

The Bill was reported with other minor amendments and third reading agreed to with one dissentient*. The amendments were duly accepted by the House of Representatives on 10th October, 1919.

CONSTITUTION ALTERATION (NATIONALISATION OF MONOPOLIES) 1919.

This proposed law is complementary to Constitution Alteration (Legislative Powers) 1919. The conditions, period of operation, and history in that case apply also to this, *vide* page 140.

* Section 128 of the Constitution provides that any proposed law for the alteration thereof must be passed by an absolute majority of each House of the Parliament.

Its object is, subject to approval by the people,* to confer powers on the Commonwealth in connection with the nationalisation of monopolies. It was introduced into the House of Representatives on 2nd October, 1919, and finally passed by Parliament on 10th October, 1919.

The proposed law provides for the alteration of the Constitution by inserting the following new section :—

51A. (1) The Parliament shall have power to make laws for carrying on by or under the control of the Commonwealth, the industry or business of producing, manufacturing, or supplying any specified goods, or of supplying any specified services, and for acquiring for that purpose on just terms the assets and goodwill of the industry or business, where each House of Parliament has in the same Session, by resolution, passed by an absolute majority of its members, referred to the High Court, for inquiry and report by a Justice thereof, the question whether the industry or business is the subject of a monopoly, and where, after the report of the Justice has been received, each House of Parliament has, in one Session, by resolution passed by an absolute majority of its members, declared that the industry or business is the subject of a monopoly.

(2) This section shall not apply to any industry or business conducted or carried on by the Government of a State or any public authority constituted under a State.

HOUSE OF REPRESENTATIVES.

The Prime Minister (Right Hon. W. M. Hughes), in moving the second reading, said that the operation of the amendment of the Constitution was limited to three years, or to 31st December, 1920, if a Convention were not called in the meantime. With that limitation the measure was more likely to receive the assent of the people.

The Hon. F. G. Tudor (Labour, Leader of the Opposition) sought to amend the Bill by eliminating the provision for reference to the High Court, thus retaining control in the hands of Parliament, which, he alleged, would save interminable delay.

The Bill was passed by the House without amendment and received in the Senate on the 3rd October.

IN THE SENATE.

The Vice-President of the Executive Council (Senator the Hon. E. J. Russell) pointed out that under the proposal there was the guarantee that a resolution of both Houses passed in one session would be required for the remission to the High Court of the question as to the declaration of a particular industry or business as a monopoly. On receiving a report

* It was rejected in the Referendum of 13th December.

from the High Court, a resolution of both Houses would again be required to enable Parliament to acquire a business. He did not put the Bill forward in the hope that it would cause the nationalisation of any or every industry. The power was carefully guarded and limited to monopolies ascertained by the Government to be such. However, power was given to the Commonwealth to carry on certain businesses, and it was a large power.

In the Committee stage Senator Russell moved an amendment, which was agreed to, providing that no law passed by the Commonwealth Parliament by virtue of the power conferred by the Act should continue to have any force or effect, by virtue of the Act, after the alterations made by the Act had ceased to have effect.

This amendment was duly agreed to by the House of Representatives.

MORATORIUM ACT.

The Bill was introduced into the House of Representatives on the 16th July, 1919, for the purpose of making provision for the continuance in force of:—

(A) The War Precautions (Moratorium) Regulations.

(B) The War Precautions (Active Service Moratorium) Regulations.

It was duly passed by the Commonwealth Parliament and received assent on 3rd September, 1919.

General Moratorium.

The War Precautions (Moratorium) Regulations, which relate to mortgages generally, are to be extended until 31st July, 1920, and, in any special case (hardship, etc.) where a court, acting under the regulations, has allowed a longer period for the repayment of the principal, the regulations shall be extended sufficiently to enable the order of the court to be carried into effect.

The lifting of the general moratorium is to operate gradually by postponing repayment of principal sums due before 1st January, 1915, until February, 1920; those due during 1915, until March, 1920; 1916—April 1920; 1917—May, 1920; 1918—June, 1920; and those due between 1st January and the date of the termination of the war as declared by proclamation—until July, 1920.

Active Service Moratorium.

Provision is made for the continuance of the Regulations relating to mortgages and purchases of land to which members of the Expeditionary Forces or their female dependants are parties, so long as there is any mortgage or agreement to which they apply.

Under the War Precautions Regulations the date of payment is postponed until six months after the cessation of the state of war, as declared by proclamation, or upon the expiration of six months after the discharge of the member of the Forces, or his death before discharge, whichever last happens.

Provision is also made that in cases of hardship the court may extend, for a further period of twelve months, the payment of the principal money secured by a mortgage, or the purchase money (or any instalment thereof) payable under an agreement.

The protection afforded in respect of the rental of dwelling-houses occupied by soldiers or their dependants, ejectment, and seizure of chattels, furniture, wearing apparel, by way of distress or under hire purchase agreements, is to continue in force until all the Expeditionary Forces have been substantially demobilized, notice of which fact will be published in the Commonwealth Government Gazette.

HOUSE OF REPRESENTATIVES.

The Minister for Works and Railways and Acting Attorney-General (Hon. Littleton E. Groom), on moving that leave be given to bring in the Bill, pointed out that the regulations in question were designed as a temporary protection for mortgagors, purchasers of land, and others against the rights of mortgagees, vendors of land, and others, and the Bill purported to authorise their continuance for a period which might exceed the period of the operation of the War Precautions Act. The Bill had been submitted to the Legal Committee appointed by the Government who had certified that, in their opinion, the Bill was within the competence of the Commonwealth Parliament.* A section of the legal Committee added, so far as the part of the Bill relating to the general moratorium was concerned, "subject to the proviso that it became law before the termination of the War."

The Moratorium Regulations had been rendered necessary partly because, in consequence of higher rates of interest having been obtainable, persons owing money had been unable to secure extensions of the time for payment as readily as under normal conditions. The passing of the regulations under the War Precautions Act had likewise prevented the financial disorganisation which would almost certainly have occurred if mortgagees and others had exercised their full rights to require immediate payment of principal moneys then due. A space of time had thus been obtained for dealing with a very large sum, estimated at as much as £100,000,000, a large portion of which could otherwise have been immediately called up. Another important purpose served by the introduction of those regulations had been the preservation of the

financial stability of the Commonwealth at a time when they were about to enter very heavily upon a borrowing policy for the purposes of the war. The general moratorium regulations originally came into operation on the 10th November, 1916, and applied to mortgages, bills of sale, agreements, and other instruments securing payment in respect of land or chattels. They also applied to leases containing optional or compulsory purchasing clauses.

THE SENATE.

In reply to expression of opinion by **Senator T. J. K. Bakhap** (*Tasmania*) that the Commonwealth Parliament, instead of straining its powers under the Constitution, should have approached the State Parliaments in the matter, **Senator G. Fairbairn** (*Victoria*) invited consideration of the difficulty of passing a similar measure through all the six State Parliaments. The time, he said, was too limited to permit such a course. It would have been necessary to submit a specific measure to all the State Parliaments, and thus there could be no amendment of the measure when it was introduced into the Federal Legislature.

The Bill was passed by the Senate on 28th August with two slight technical amendments, which were subsequently accepted by the House of Representatives.

COMMERCIAL ACTIVITIES ACT.

The Bill was introduced into the House of Representatives on 2nd July, 1919, finally passed by the Senate on 29th August, and received Assent on the 3rd September, 1919.

It provides for the continuance, for certain limited periods, of the War Precautions Regulations relating to the Dairy Produce Pool, Wool, Sheepskins, Flax, and, in so far as concerns the prices of dairy produce, the Prices Regulations. It also provides for the continuance of the fixation of the price of Sugar, and for power in connection with "The Government Scheme for Transportation and Marketing of the Australian Wheat Harvests 1915-1920 (under War Conditions)."

DEBATE IN HOUSE OF REPRESENTATIVES.

The Minister for Works and Railways and Acting Attorney-General (**Hon. Littleton E. Groom**), in introducing the Bill, said that when the Bill which had been designed to extend the operations of the War Precautions Act was before the House it was definitely stated that, even though the Act was

to be extended for a further period,* the Government would immediately take steps to enquire into the existing regulations with a view to seeing whether a number of them could not be repealed before the time for the expiry of the Act itself. It was also announced that wherever it was desired to extend any regulations a measure with that object would be submitted to Parliament which would be afforded an opportunity of pronouncing judgment in each case. A special legal committee appointed by the Government were of opinion that the measure was within the competence of the Commonwealth Parliament.

Butter.

The object of the action taken by the Government in connection with dairy produce had been to control the supply of butter for consumption in the Commonwealth and the shipment of the surplus to the United Kingdom. The Imperial Government had purchased the surplus produced during the period of the war and during one season on the termination of hostilities. That season would terminate on 31st August, 1920, and the Bill provided for the extension of the regulations up to that date.

Wool and Sheepskins.

When negotiations were completed in December, 1916, for the sale to the Imperial Government through the Commonwealth Government of the balance of the Australian wool clip for the season 1916-1917, it became necessary to bring into being an organisation for the carrying out of this huge transaction. To this end the War Precautions (Wool) Regulations were promulgated in Statutory Rule No. 322 of 1916. The present contract would terminate on the 30th June, 1920, but that date would not see the end of the functions of the Central and State Wool Committees. Although the regulations be kept in force up to the date specified, authority would have to be given to the several committees, as provided in the Bill, to wind up their respective businesses as in the case of ordinary liquidation.

Sugar.

The Bill dealt with only one particular matter—the fixing of the price of sugar. It purported to give power to the executive to fix the price of sugar until 30th September, 1920.

* The operation of the War Precautions Act 1914-1916, was extended to the longer of the following periods, viz., the period of three months after the then existing state of war, and the period ending on 31st July, 1919.

The object of the Government action in the first instance was to secure the production of sugar in Australia so as to arrange for the supplies of sugar for the people, and, finally, to see that the sugar was distributed on equitable terms at a reasonable price. In 1915, the Commonwealth Parliament had passed the Sugar Purchase Act, whereby provision was made for the financial arrangements necessary in connection with the purchase of sugar by the Commonwealth. The only thing necessary in order to keep these powers in regard to sugar in existence to the date mentioned, when the Queensland contract expired, was the fixing of prices.

Flax.

Prior to the war, Russia had supplied no less than 80 per cent. of the world's output of flax fibre. With the Baltic provinces and the flax-growing districts of Belgium and France in German hands, the shortage of flax fibre among the Allied nations had, by the middle of 1917, become very acute. The Imperial Government had offered, and was still offering, special inducements to farmers in the British Isles to increase the cultivation of that crop. The Commonwealth Government had entered into an agreement with the Imperial Government in the latter part of 1917, under which the latter agreed to purchase the fibre from the 1918 flax crop at £170 per ton. A Flax Industry Committee was appointed under War Precautions Regulations to carry out a scheme of development. On the Committee's advice the Commonwealth Government had guaranteed £6 per ton for flax grown in 1919, and had accepted the British Government's offer to purchase the resultant fibre on the same terms as before. To enable the Government to carry out the commitments under that guarantee, both in regard to the purchase and treatment of the flax and to the disposal of the resultant products, it was necessary to provide for the continuance of the powers and functions of the Flax Industry Committee as at present held under War Precautions Regulations.

Wheat.

In conjunction with the governments of the wheat-producing States, a scheme had been devised in order to overcome, as far as possible, the freight difficulty, and to ensure that all growers should have an opportunity of participating equally in the net returns of overseas business. A Wheat Board was appointed, and all wheat was pooled for the purpose of shipment, etc. They had still for sale 2,000,000 tons. Advances had been made against the wheat, whether sold or not, with the result that the Board's overdraft at that time amounted to £18,300,000. The Bill asked only for statutory

authority to confirm the agreements that had been made in the past and to enter into a contract in respect of the 1919-20 crop.

Hon. Chas. McDonald (Labour, Queensland) wished to emphasise that if the measure were allowed to go through, extending for one year the operations of certain actions of the Government under the War Precautions Act and other authorities, there was nothing to prevent them from being extended for twenty or even fifty years. Once they admitted the principle, there was absolutely nothing to prevent the Government from coming down with an additional Bill extending the Censorship for another five or ten years. If it was possible then to do those things under the authority of separate Bills brought before Parliament, he submitted that the Government could have obtained authority previously in a similar manner. Why was that course not followed? He saw a grave danger in passing the Bill because he believed that the Government could use it as a precedent for taking similar action regarding all the powers they assumed under the War Precautions Act and its Regulations.

The Hon. F. G. Tudor (Labour, Leader of the Opposition) supported the measure, and said that if they had the power to fix the price of sugar until 30th September, 1920, they also had the power to fix the price of any and every commodity which any person consumed in Australia. If they had the power to deal with the question so long after the signing of the Armistice and of Peace, he was of opinion that they had the power to deal with it for an indefinite period.

Mr. Frank Brennan (Labour, Victoria) asked the Government not to tinker with the Constitution in the way involved in the Bill. As they had confessed by the measure the necessity for obtaining greater powers for the Commonwealth Parliament, he invited the Government to ask the Opposition to co-operate in securing a liberal amendment of the Constitution designed to achieve the very things the Government were then seeking to achieve, and that support would be given.

Several members welcomed the return to parliamentary procedure, whilst others doubted the constitutionality of the Bill.

(The Bill passed the House of Representatives on 31st July, 1919, without amendment, and was read a first time in the Senate on 6th August, 1919, on the motion of Senator Russell.)

DEBATE IN THE SENATE.

During the debate on the second reading, **Senator H. E. Pratten (N.S.W.)** said that on the whole they could

support the measure, although he gave it his support with some reluctance. He believed that the Government were committed, and therefore in honour bound, to carry out those commitments. He did not at all agree with that "made-in-Germany" idea of State organisation and control of everything. In normal times private enterprise should have full control of all commercial undertakings. He hoped the Government would, as they had commenced to do, by the repeal of the War Precautions Regulations, allow trade and commerce to return into fair and reasonable channels, and that they would not attempt, in that National Parliament, to obtain control of everything.

Senator the Hon. A. Gardiner (Leader of the Opposition) said that there were already powers under which the Government might carry out the contracts, and there was no need to ask Parliament to pass a Bill as to which there was doubt concerning their constitutional powers.

Several Senators, both Government and Opposition, questioned the competence of the Commonwealth Parliament to deal with the measure.

The Bill was read a third time in the Senate on 29th August, 1919, and returned to the House of Representatives without amendment.

INSTITUTE OF SCIENCE AND INDUSTRY BILL.

The Bill provides for the permanent establishment of an Institute of Science and Industry.* It was originally introduced into the Senate on 25th September, 1918, and received in the House of Representatives on 27th November, 1918.

The Institute.

The Institute is to be a body corporate, with power to acquire and hold real and personal property, and to sue and be sued. Three Directors are to be appointed for a term of five years, one of whom shall be chairman. Two of the Directors shall be chosen on account of scientific attainments.

The powers and functions of the Directors shall, subject to the regulations and to the directions of the Minister, be the initiation and carrying out of scientific researches in connection with primary or secondary industries; encouragement by studentships and grants; the testing and standardization of scientific and industrial apparatus and instruments, etc., and the collection and dissemination of information regarding industrial welfare, etc.

Provision is also made for complete co-operation with the States.

* An Advisory Council of Science and Industry was appointed on 16th March, 1916, pending the establishment of a permanent Commonwealth Institute of Science and Industry.

The Minister for Works and Railways and Acting Attorney-General (Hon. Littleton E. Groom), in moving the second reading of the Bill (7th August, 1919) in the House of Representatives, said that they were assured that the burden of national debt would press heavily upon them, and that the only way to increase the standard of living and meet their national obligations was to increase their production. It was in the belief that Science could aid in increasing production that the Bill was introduced. National prosperity depended upon two things—their possession of natural resources, and ability to use them to the fullest extent. The object of the Bill was to establish in Australia an institution which would assist to bring scientific knowledge, information and experience to bear upon the practical development of production and manufacture.

Almost every civilised country was organising some sort of Institute of Science or increasing its Department of Agriculture, or some other branch of its governmental activities, in order to encourage research and promote the application of science to industry. He also referred to the action taken in this direction by the United States of America, Canada and the United Kingdom. Certain specific problems existed in Australia, and experts would be engaged in scientific work with a view to finding a solution of these problems. Science was not parochial. If there was anything international, it was science; and scientific men, as a rule, paid very little regard to national boundaries. If the institute was to fulfil its purpose, it would have to keep in touch with institutions in other parts of the world, and cause to be brought to Australia the latest knowledge applicable to industrial production.

A young Australian, after very careful and scientific investigation, had been able to demonstrate that weevils in stacks of grain could be destroyed by covering the stacks with malthoid, and asphyxiating the weevils with a mixture of nitrogen and carbon di-oxide. This simple discovery had been applied to weevil infested wheat stacks in South Australia, and Victoria, with the result that damage amounting to hundreds of thousands of pounds had been avoided. There was no more informative illustration of the application of science and research to production than was to be found in connection with the investigation into the disease of phylloxera. It was well known how vines were destroyed in France, how a disease-resisting vine had been found in the United States of America which restored the prosperity of the vignerons in France, and how they in Australia had been glad to take advantage of the researches of the United States in order to establish their wine-growing industry upon a proper footing.

Co-operation with State Governments.

No scheme for a Federal Bureau could anticipate success unless it worked in complete harmony and co-operation with the State Departments, taking the fullest advantage of what they were doing, and confining itself mainly to what ought to be a national function, namely, investigation and research on the scientific side.

In connection with the administrative work of scientific investigation, Mr. Groom pointed out that it was already a function of the Federal Government through the Quarantine Department to prevent disease coming into Australia, but when it came to a question of eradicating an established disease and employing officers to inspect orchards, they had what was essentially a State function. The States had the organisation for carrying out that work, and, generally speaking, there was no necessity for the Commonwealth to attempt to carry out local administrative work. In regard to educational work—obviously as the States had all the educational machinery, such as agricultural colleges, universities, high schools, and even primary schools, where a good deal of foundation work could be done—that also was a State function. But when they came to research and investigation, which was carried out either in laboratories, or in the field, that was a branch where there was need for co-operation between the Commonwealth and the States. The States already had experimental stations so that there was no need for the Commonwealth unnecessarily to duplicate these establishments. Queensland, for example, was faced with a whole series of problems, which no other one State with narrow resources at its disposal could hope to deal with effectively. How could a little community like Tasmania be expected to bear the whole burden of investigating scientific problems which affected not only that State, but every State? That was where the Commonwealth ought to step in to assist the States and take over the control of national research work.

The Hon. F. G. Tudor (Labour, Leader of the Opposition) moved, that before introducing the Bill the Government should have furnished the House with an estimate of the approximate cost per annum and should also have made preliminary arrangements with the State Governments to avoid duplicating the existing State Bureaux or work at present carried on by them.

On 20th August debate on the above motion was adjourned.

NEW ZEALAND.

*The sixth session of the Nineteenth Parliament of the Dominion commenced on 28th August, 1919, and Parliament was prorogued on 7th November, 1919.**

PEACE TREATY RESOLUTION.

On 2nd September, 1919, the Prime Minister of the Dominion informed the House of Representatives that he had received several telegrams from the Imperial Government asking that the ratification of the Peace Treaty should be assented to at the earliest possible date. The motion for ratification was dealt with in both Houses of the Legislature and the Treaty assented to on the date named, New Zealand being the first of the Oversea Dominions to ratify the Peace Treaty.

DEBATE IN HOUSE OF REPRESENTATIVES.

The Prime Minister (the Right Hon. W. F. Massey) moved,

That the House of Representatives of New Zealand in Parliament assembled resolves that this House assents to the ratification by His Majesty of the Treaty of Peace with Germany as approved by the plenipotentiaries at the recent Peace Conference.

Mr. Massey said he would like to express the opinion that the signing of the Peace Treaty and the part the Dominions took in the Conference was the most important event in their history. What had taken place had proved that their status was assured. They had ceased to be dependencies of the Empire and had become partners—partners with all

* The House of Representatives having been dissolved, the General Election took place on 17th December, the results being that, from having a bare working majority of two, the Reform Party, under Mr. Massey, has been returned with a majority of 16 over all other parties. The following is the position of the parties :—

Reform	..	..	..	48 (including one Independent— a Maori—Member.)
Liberal	..	..	..	19
Official Labour	..	..	..	8
Independent Labour	..	..	..	5
Total				80

There are four Maori Members in the House of Representatives, two being returned as Reform, one Independent Reform, and the fourth is a Liberal. Sir Joseph Ward, the Leader of the Liberal Party, lost his seat.

the duties, responsibilities and privileges that belong to a partnership. It would be very easy to criticise the Treaty adversely, but that was no part of his business, although there were one or two points about which he was not satisfied. He did not believe there was any more difficult matter in the world to arrange than a Peace Treaty as a result of a Peace Conference.

Mr. Massey pointed out that the work of the Peace Conference was divided up amongst a number of Commissions, he having been a member of the Commission dealing with the responsibility for the war and for crimes committed during the war other than ordinary acts of war.

Navy and League of Nations.

Mr. Massey made reference to the recent visit to New Zealand of Admiral Jellicoe, whose plain statements, he said, should be taken to heart by every patriotic British citizen within the Empire. Even to-day members of the League of Nations were building bigger ships than the world had ever seen. These ships were not being built as play-things, but for the stern purposes of war if the necessity should arise. It was a fact of extreme importance and one upon which they should ponder seriously before they allowed their Navy to be interfered with.

Regarding the League of Nations, if it could be given effect to, it would be one of the best things ever attempted in the world and it had his hearty support. But no one should imagine that the League of Nations was going to put an end to war, though it might make wars less frequent by setting up a great international tribunal to which disputes were to be referred. Consequently, it was well worthy of their support. And then the League of Nations, the "foundation members," were the Allied Nations, which had made such tremendous sacrifices during the war in order to save civilisation. If it were possible for Britain, France and America to combine and to say to other nations, "We will not have war again," that would be the best guarantee of peace. He knew that meant keeping up armies and navies; it meant force. If the League of Nations was going to be a success it must have force behind it. He called attention to the necessity of keeping up the Imperial Navy. He felt very strongly about this on the other side of the world, and he felt more strongly upon it to-day than he ever did because he had more knowledge and information as to what other countries were doing and as to what might possibly happen in the part of the world in which they were located. Their very existence—their existence as a nation—depended upon their being able to keep a Navy which would maintain the

connections of the different nations of the Empire with each other and with the heart of the Empire itself.

There were two mistakes possible in connection with the League of Nations. One, that they should allow themselves to be lulled into a false sense of security. The other point was that the League was only in its infancy. It would take time to develop, and during that period it would require the best brains in the world in order to make the amendments which changing conditions might render necessary. Amendments were required in the covenant, particularly as regarded the Council and Assembly and he was quite sure that some of the proposals would not work satisfactorily.

Indemnities and Reparation.

Mr. Massey said that one of the matters in which the Dominions were particularly interested was the question of indemnities or reparation. Reparation was the term used, because as a matter of fact there were no indemnities. Personally he would have demanded an indemnity, but there was a great deal of difficulty. A very strong Commission had been set up which was supposed to arrive at an agreement as to the amount of money which would be required to be levied upon Germany to pay for the damage done and the amount Germany would be able to pay, but the Commission failed to agree. The Council of the Powers then took the matter in hand and eventually arrived at the conclusion that the only thing to do was to set up what might be termed a standing Council to deal with the question, and this had been done. It was quite impossible to say what New Zealand's share of the reparation would be. As far as he had been able to judge, New Zealand would get something, he thought not less than £10,000,000; it might be £12,000,000; and it would be spread over 30 years.

The liability of New Zealand for pensions amounted to about £2,000,000 a year. That, capitalised at the ordinary rate of interest, would represent about £25,000,000, so that if they got £10,000,000 or £12,000,000 it would be something less than half, but it would take a long time and it would be the duty of the New Zealand Government and of the British Government—who he was sure would act for them—to see that a fair share came to the Dominion.

Mr. Massey then referred to the "Organising of Labour" under the Peace Treaty, and quoted the preamble in the Treaty under that heading as well as other portions dealing with labour which, he said, would give an idea of what was proposed.

Samoa.

He now came to a matter in which they in New Zealand were specially concerned—Samoa.* When Sir Joseph Ward and he left New Zealand, they took it for granted that annexation would take place of most of the territories that had been occupied by British or Dominion troops, and they thought that Samoa would simply become British territory—"a British Colony, if you like"—in the ordinary sense of the term. But they discovered when they got to Paris that the Council of the Powers had decided that there would be no annexation in the ordinary sense of the word. They had, therefore, no option. There was nothing to be done except to see that Samoa should remain under British control; and there was very serious doubt about that at one time. When he said "remain under British control," he ought to explain that, according to the military and naval authorities of Britain, Samoa was one of two territories (Rabaul being the other) which were considered of more importance from the strategic point of view than any other territories in the Pacific. They had been both in German occupation, but were under British control to-day, one under Australia and the other under New Zealand. He hoped and believed it would be the duty of the citizens of New Zealand and of Australia to see that for all time these two places of such immense importance should remain in British hands.

In the course of reply to a number of questions, Mr. Massey said Samoa would not be fortified, whereupon Mr. T. M. Wilford (Liberal, *Hutt*) asked about Jaluit Island in the Marshall group held by Japan, which he said was a modern Gibraltar. Mr. Massey replied, "there will probably be trouble with regard to it one of these days."

The Nauru Agreement.

Dealing with the Island of Nauru, Mr. Massey said he had left New Zealand impressed with the necessity of securing an interest in Nauru on account of the valuable phosphate deposits; but he certainly had not anticipated the difficulties that arose. When war broke out the phosphates were being exploited by a company partly German and partly English. However, the island was in possession of Australian soldiers and Australia objected to his claim. The matter was eventually referred by Mr. Lloyd George to Lord Milner, who decided that Nauru should not be held under the joint mandate of Australia and New Zealand, but that it should be held by Great Britain. The next difficulty was with regard to the

* This is dealt with more fully when reporting the debate on the Bill relating to the Mandate for Samoa. (See page 167).

Company's rights, and Lord Milner suggested that Australia and New Zealand should join in buying the Company out compulsorily. He had agreed to this course with Mr. Hughes and the draft agreement had been sent to him on the morning he left Paris; but the completion of the contract depended upon Parliament. In reply to a question by Mr. Wilford (Liberal), Mr. Massey said New Zealand certainly had the power of withdrawing from the contract.

In reply to Sir Joseph Ward, Mr. Massey stated that under the Treaty Nauru went to the British Empire—that was the term used. It was rather an unusual term. It did not say "Britain" but "the British Empire." In answer to a further question from the Leader of the Opposition as to whether Nauru "does not come in for New Zealand," Mr. Massey replied "No; except this, that the British Empire acknowledges—the Secretary for the Colonies in all documents acknowledges—the New Zealand and Australian interests in the island." In view of the value of phosphates to New Zealand he was very anxious about the matter and he wrote personally to Mr. Lloyd George urgently requesting him to see that the interests of New Zealand in Nauru were protected. He was inclined to think that his letter had some little effect. Returning to the proposal to buy out the Company's rights, he had been asked for suggestions by the draftsman of the Nauru agreement and had replied raising the question as to the legal right of Great Britain to acquire the Company's interests compulsorily; he also suggested that whenever possible the New Zealand Government should be consulted before the adoption of any definite course about which it was possible for the British Government to give a considered opinion. He referred in detail to the clauses of the draft agreement and to the shares to be held by the respective countries under Article 14, namely United Kingdom, 42 per cent.; Australia, 42 per cent.; New Zealand, 16 per cent. That did not sound very much in proportion, but it was very important when it was recollected that under Article 8 their liability was in proportion to the percentage set out in Article 14. He concluded with a reference to Clause 15, which provided that the agreement should come into force on being ratified by the Parliament of the three countries concerned. In reply to a question as to what would happen if New Zealand refused to sign the agreement, Mr. Massey said that the other two countries would go on.

Concluding Words.

In concluding, Mr. Massey said there was no doubt that this Empire, with its tropical countries and its temperate zones could produce all the raw material which its manufac-

turing industries required. He did not say for one moment they should not trade with other countries, but he did hope they were not going to allow enemy countries—especially Germany—to get back to the position they held prior to the war. War could not be made impossible. They had to face positions as they found them and state what measures were necessary for the protection of the Empire. He did not think a standing Army necessary, but he did say that it was necessary that they should have means of protection and especially keep up their sea power. By every law of God and man they were a maritime people, and it was their bounden duty to do their full share in the defence of the great Empire to which they belonged.

The Right Hon. Sir Joseph Ward (Liberal, Leader of the Opposition) said that the House, in his opinion, ought unanimously to indorse the Peace Treaty,—first, because they could not alter it; secondly, because it was of the greatest importance that the British Empire should be united after the Peace Treaty had been signed.

League of Nations and the Navy.

He wished to affirm his personal belief that the greatest work done at the Peace Conference was the creation of the League of Nations. He thought they in that young country required to understand the powers contained in the covenant of the League so that they might realise the tremendous potentialities within the scope of the League. The Covenant provided for the limitation of armaments. Was there anyone who did not realise that one of the most important things following upon the completion of the war was the limitation of armaments? Germany was at present excluded from the League of Nations, but it was certain that within the next few years she would be admitted to membership. In his opinion the League of Nations would never be right until Russia and Germany were both in it: and when they were in it, they would have the greatest guarantee for peace that it was possible to provide. In nearly every detail of the Covenant it would be found the most remarkable document probably that the world had ever seen.

Britain's Sea Power.

There was one thing that the people of the British Empire—and they, as a part of it—could never be parties to: that was, to allow the future of the British Navy to be under the control of a League of Nations or anybody else. The preservation of their destinies depended entirely upon their being a great Sea Power. It went without saying that Japan was building a great navy. The United States of America was

enlarging its great navy. The French were proposing to build more ships of war; and the Italians were proposing to do the same. Sir Joseph then referred to various provisions in the Treaty and stated that if it contained nothing else than the limitation of armaments, the demobilisation of the Army and Navy in Germany, and the restoration of Alsace-Lorraine to France, it would have been a remarkable achievement.

Samoa* and the Mandate.

So far as Samoa was concerned, Sir Joseph said Mr. Massey would agree with him that the spade-work to ensure that Samoa would never go back to Germany and of getting the British Government into line with New Zealand was not done on this visit to England, but on the previous one, and the one before that. That was the time when they had appealed to the public of England and to the British authorities and urged that they should never again tolerate the Germans in the Southern Pacific. There was no trouble on that point this time. At the Conference it was agreed to unanimously, no country taking any exception to the decision, that none of the territory conquered from Germany should go back to her. There was no claim put in for Samoa by any country but New Zealand, whose right to it was not disputed. The difficulty was as to how the former German Colonies were to be governed. In the first instance he and Mr. Massey had stood out for annexation of Samoa to New Zealand, and the objection to this came from the United States of America. The United States brought down the mandatory system, and in its initial stages no one knew how it was going to operate so far as they were concerned. The British Government was supporting them for annexation, but it was found impossible, on account of the wideness of the intended application of the mandatory system, to have their way in this respect. After the mandatory system had been introduced it was required to apply it to Turkey, to part of Africa, to the Marshall Islands and to several other places, amongst them New Guinea. When it was intended to be applicable generally they necessarily had to agree to the mandatory system; but so far as the mandate was concerned, he had not yet seen the full terms of the mandate and consequently did not know what they were.

At this point the Prime Minister said that the terms of the mandate had not yet reached New Zealand.

Sir Joseph Ward continued, saying that at any rate he

* In a later stage of his remarks Sir Joseph Ward referred to a memorandum of his own twenty years ago in which he pointed out the danger of handing over Samoa to Germany.

had not seen what they were, but he had seen what was originally proposed, and while he was strongly in favour of ratifying the treaty and asking the House to ratify it, he was going to reserve his opinion until he had had sufficient time to consult with experienced men as to whether New Zealand should be the mandatory power for Samoa. He would say, let them confirm the Treaty with the mandatory power for New Zealand in it; but he could foresee tremendous difficulties arising to the Dominion. He believed that it would have been best for the mandatory power to have been exercised by the British Empire. He said that because of the internal difficulties in Samoa and of the shadow of the coloured races which he could figuratively see hanging over their Legislature, where they had always been legislating for a white race. New Zealand's policy had always been wholly opposed to giving concessions to any coloured races, and when he said that he did not include their Maori friends. Samoa could not do without the use of large numbers of people of coloured races. He would say advisedly that if the mandate had remained in the hands of the British Empire the difficulties would not prove so great as they would to a young country like New Zealand, because the British authorities were to-day, and had been for years, dealing in other parts of the Empire with almost identical conditions regarding coloured races as would arise in connection with Samoa. At the same time, he would say it was their duty to confirm the Treaty without delay.

The Labour Charter.

Regarding the Labour Charter, he said there was a great weakness in it, and he had told Mr. Barnes so at the time. The whole basis of the Labour Charter was to ensure that in all parts of the world no one country should be more favourably situated in regard to labour than another country, so that the manufacturer in one country might feel that he was on the same terms as to the cost of manufacture and production, as far as local conditions would permit, as his competitor in another country, and so that there might be uniformity of pay, of hours of labour and cost of production. But the United States were not in the Labour Charter, and the Japanese asked that they might not come into it for five years. So that with this defect in the beginning, of two important countries standing out of it, it followed that the edifice was not on the strongest foundation.

Indemnities.

With regard to the financial side of the Treaty, he thought the only safe road for New Zealand to follow was that of

assuming that they were not going to get anything in the shape of indemnities. They might get 10 millions from the pensions side, but he very much doubted it. In any event they would get none of it for 10 or 15 years. He said so because it would be found that the preferential things Germany had to provide for out of the moneys she had to raise, to the extent of several thousand millions sterling, left no hope of indemnities of any kind being paid to any part of the British Empire or their Allies for some years to come.

It was very important for the New Zealand nation that they had been relieved of the process by which secret treaties, which in many cases were so damaging to the whole world, were entered into.

Other Pacific Territory.

Sir Joseph referred to other territory in the Pacific. He said that within his own knowledge there was a territory in the Pacific which was now in the hands of another country, and if the advice of the late Mr. Seddon had been taken when it was tendered officially to the authorities in England it would have been to-day one of the strongest parts of the British possessions in the Pacific. But the advice was not listened to. Afterwards that territory had been taken by another country, and it was in possession of that country to-day. He added, "It is one of the strongest parts of the whole of the Pacific Islands." They out in those Dominions had a right to represent such matters, and to be heard. He regretted to say that in the past they had not been listened to until it was too late. The whole of the Empire had before it in the next ten or twenty years one of the greatest struggles for supremacy in the commercial world that it had ever had. There was a country with one hundred and ten millions of people only six thousand miles away from them, able to manufacture everything that they could manufacture, and with a growing population, because that country was capable of holding four hundred million people. They must help to develop and make glorious and powerful their own great Mother-land of Britain, to which they were by ties of blood so closely attached, and which had emerged from the war with £8,000,000,000 of indebtedness upon her. They all had a heavy burden of indebtedness upon them, and it was their duty to at least strengthen the centre, and to maintain that spirit that had been displayed by all parts of the British Empire during the last five years.

Mr. H. E. Holland (Labour, Grey) said that he wished to speak as Chairman of the Labour Party. He protested against members being asked to ratify the most important document that the world had ever formulated without

having even a summary of its proposals in their hands. They had the extraordinary spectacle to-night of a little island—he thought some twelve miles in circumference—overshadowing in the Prime Minister's statement practically the whole of the Peace Treaty; an island, the German interests in which, if what he had read was correct, were obtained because the Germans managed to beat the British Agent very narrowly.

The terms of the Treaty made it clear that the Germans were to be compelled to trade with them and take their trade in return. What became of all the flamboyancy with which during the war period it was declared that never again were they going to trade with Germany. Regarding the indemnity, the Treaty set forth that Germany should pay within two years £1,000,000,000 in gold, goods, ships, or other specific forms of payment. He did not think that this payment was an economic possibility. Even if Germany could pay, she could not pay New Zealand ten millions in gold: she could only pay in goods; and that would mean that the working men of the British Empire would be standing idle owing to their markets being flooded with German goods, while the German men would be in full employment. He thought that certain of the provisions with respect to guarantees for the execution of the Treaty were a glaring injustice to Germany, such as the occupation of German territory and the fact that the people of Germany were to be required to pay for that occupation. He surveyed the situation which had arisen in the world since the "so-called Peace Treaty" had been drafted. There was no civilised country on earth where the red hell of revolution had not been lighted, or the fires of insurrection were not smouldering. On behalf of the Labour Party he would say finally, that they could not join in ratifying the Peace Treaty.

Mr. P. Fraser (Labour, Wellington Central) said they had been told that the war was one to end war. To-day nobody believed that. The Prime Minister had repudiated the idea; the leader of the Liberal Opposition did not even give it lip-service; the Minister of Defence had discarded it some considerable time ago. Mr. Lloyd George had professed that the Forces of the Allies were in no way directed against the German people, but whilst he was giving utterance to these very sentiments the secret intriguers of the different Allied nations had got to work and after the revolution occurred in Russia the Kerensky Government found that secret treaties had been entered into binding upon British and various other countries, regarding the division and allocation of certain territory. There was nothing before the countries even now (and would not be until Labour came into power in all important countries) but armaments and

piling up of armaments, war upon war, until democracy should wake up and put an end to it finally.

Mr. E. Newman (*Reform Party, Rangitikei*) said [he did not think that ever again would the British Empire permit such important strategical positions as the Samoan Islands to pass into the hands of a possible enemy. He felt that it would have been better if the control of them could have been left in the hands of the Imperial Authorities and hoped that at no distant time this would be done. The hopes of the whole civilised world were centred in the League of Nations. With regard to naval services in the Pacific, he earnestly hoped it would be possible for New Zealand and for Australia to rise to the occasion and contribute somewhat on a parity with the people at home for naval protection, for if there was anything that the war had proved beyond doubt, it was that the safety of the British Empire depended upon the Navy, and New Zealand must do her share and keep up that Navy.

Mr. T. M. Wilford (*Liberal, Hutt*) said that nobody suggested that the Peace Conference had produced a League of Nations covenant that could not be criticised. Personally he thought the great mistake in it was that it gave the League the right to dictate to the member nations of the British Empire on matters of immigration and local affairs. He thought that the whole internal domestic affairs of the separate parts of the British Empire should be free from the criticism, domination, or control in any shape or form of the League of Nations. It should not have the right to criticise or to mould New Zealand's policy in regard to the Japanese or the Chinese or Hindu labour. Though he did not pretend to argue that the League of Nations was the panacea for all evils, he thought it ill became that small part of the British Empire to throw doubt upon it as being a League which could not be taken up by the great nations of the world.

The motion was agreed to.

THE LEGISLATIVE COUNCIL.

On 2nd September, 1919, the Attorney-General moved :—

That the Legislative Council of New Zealand in Parliament Assembled assents to the ratification by His Majesty of the Treaty of Peace with Germany as approved by the plenipotentiaries at the Peace Conference.

The Attorney-General (*Hon. Sir Francis Bell*) explained that the terms of the treaty required that there should be a ratification by a certain number of the Parliaments of the Powers which had executed it. The Imperial Parliament

was the Parliament named in the Treaty, but it had invited the Dominion Parliament to join in the ratification for reasons not affecting the validity of the act which the Imperial Parliament had already done, but because of the relations which had proved so strong between the Imperial Parliament and the Dominions.

In moving the resolution he invited the Council to pass it in conjunction with another place, and in doing so to "accept and assume what is offered to us for the first time almost—an equal part with the Imperial Parliament in the affairs of the Empire."

The motion was agreed to.

SAMOAN MANDATE (TREATIES OF PEACE) ACT.

This Bill, which was introduced into the House of Representatives by the Minister of Defence, passed its Third Reading in the Lower House on 17th October.

It passed in the Legislative Council on the 23rd October and received the Governor-General's assent on the 29th October.

The immediate object of the Act is to enable the Government to issue an Order in Council for the administration of Western Samoa.

The Act provides that the Governor-General may by Order in Council make all necessary provisions for giving full effect to the Peace Treaty with Germany, or any other treaty with an enemy Power, and for the imposition by any such Order in Council of penalties for breaches thereof.

Clause 3 of the Act provides for the ratification and approval by New Zealand of the acceptance by His Majesty of the Mandate for Samoa.

Clause 4 contains a ratification of the exercise by the Governor-General in Council of any jurisdiction or authority in pursuance of the Mandate; and Clause 5 gives power to make, by Order in Council, the necessary provisions in New Zealand for the effective exercise of jurisdiction over Samoa.

The Bill was amended in the House of Representatives after passing its Second Reading by the addition of a new clause (moved by the Minister of Defence), as follows:—

"This Act shall remain in force for twelve months and no longer."

DEBATE IN HOUSE OF REPRESENTATIVES.

The Minister of Defence (Hon. Sir James Allen), in moving the Second Reading of the Bill on 17th October, said that Parliament had already that Session agreed to the terms of the Peace Treaty. There were certain actions consequent upon that agreement which had to be provided for in that

Session, and it had been hoped that a comprehensive Bill might have been brought down dealing more especially with the Mandate for the civil government of Samoa ; but the Imperial Government had informed the New Zealand Government that until the Peace Treaty was proclaimed and the Mandate definitely sent to them they could not put through a Bill dealing with the powers that were necessary under the Mandate. The Solicitor-General had advised that, under the circumstances, the best thing to do was to pass a short Bill giving the Government power to proclaim by Order in Council what would have been the Bill had they had the opportunity to bring it before the House and pass it that Session. That was the object of the proposed legislation then before the House. Parliament was asked to pass the Bill so that the Order in Council might be issued in terms of the Peace Treaty, when that Treaty became effective. The provisions of the Mandate could not be published until the authority was received from the Imperial Government, and that authority would be given as soon as the Mandate was approved by the several Allied and Associated Governments.

New Zealand's Duty.

The Minister then referred to New Zealand's part in the war, to the despatch of the Expeditionary Force of fifteen hundred men on the 15th August, 1914, which force had successfully occupied Samoa. The mandate which had been given to New Zealand was the consummation of what had been begun at that time by the men who had left those shores and had occupied Samoa. There was no country that had a fuller knowledge of the Polynesian race, and was more able to take the responsibility, than New Zealand. He would say unhesitatingly that they would be neglecting their duty to the Polynesian race, to the Mother-land, to the League of Nations, if they refused to accept the mandate which had been placed in their charge. He hoped, therefore, that the mandate would be accepted.

The Constitution for Samoa.

He would only allude to one or two main features that were proposed to be embodied in the Order in Council to which he had referred. First of all, they recognised the independence in a certain sense of the Native population of Samoa, and did not wish to interfere with their rights and privileges except in so far as it might become necessary to do so under the powers conferred by the mandate. At the present time the position was that the Official Administrator was advised by two of the Chiefs of Samoa, and that would be continued ;

but the Order in Council would also provide for a Constitution which would give certain powers to the Europeans living in Samoa.

A Legislative Council.

The Constitution which was suggested would be a Legislative Council consisting of (a) Official members—not less than four in number—being the holders for the time being of such office in the Samoan Public Service as the Governor-General from time to time appointed as entitling the holders thereof to sit in the Legislative Council, and (b) Unofficial members—not more in number than the Official members—being such other persons (if any) as were appointed to hold office during the Governor-General's pleasure. There would also be a proviso that no person should be qualified for appointment to the Legislative Council unless he were either a natural-born British subject, or a Samoan, or was born in Samoa: so that the Samoans themselves—the two Native Chiefs referred to—might sit upon the Legislative Council. But in addition to that, they would have the right to approach the Administration direct upon Native matters. It was not thought wise to adopt the elective principle for the present, but they must look forward to the day when it would be possible to do so.

Civil Service, &c.

It was proposed to make the Samoan Civil Service part and parcel of the New Zealand Civil Service, and to extend this principle presently to the Cook Islands. They would have to feel their way before taking any step in the direction of admitting Natives to the Civil Service.

The Order in Council would also contain provisions relating to the setting up of a Treasury Department, an Education system, Public Health Department, Justice Department and provision as to Crown Lands, Marriage, Divorce, and Lunacy. Means would also be taken to prevent the Natives from securing intoxicating liquor and fire-arms.

Finance.

He wished to relieve any anxiety that might be felt regarding finance. As far as his judgment went, the revenues of Samoa, if trade was kept up, would be sufficient to meet all charges. There had been a surplus of £14,000 per annum during the three or four years of administration, and out of that surplus they had met the deficit due to replacing the German currency by British currency and had paid for certain improvements in the Samoan roads, and other public works.

If the whole cost of the government of Samoa were not met out of the revenue from that country, then the mandate was clear—they would have to take the responsibility themselves, though the whole cost would be charged up against Samoa.

Indentured Labour.

Upon being asked by an hon. Member whether he would prohibit indentured labour, Sir James Allen said it was not proposed to do so. The Samoan labourer would not work in Samoa except in so far as it was necessary for him to provide the food he required to live on, which was easily obtained: and if the country were to be developed—they might as well face the position—some provision had to be made to secure labour from outside. In the past labour had been obtained from China and the Solomon Islands. They had either to accept the responsibility of the islands going back to a state of nature—and something worse than nature—or the responsibility of allowing labour in from outside in order than the islands might be developed.

The Right Hon. Sir Joseph Ward (Liberal, Leader of the Opposition) said it was quite clear that the House must assent to the Bill. He thought it was a matter for the deepest regret that they could not, in connection with a great addition to their country and an alteration in the constitution of the British Empire, have the whole of the proposals of the Government embodied in a Bill and set out in full detail. He thought that the Orders in Council the Bill authorised, and the Bill itself, should be regarded as temporary until they had an opportunity during a full session of going into the whole matter in a comprehensive measure dealing with the many-sided aspects of the control of Samoa. He had publicly pointed out the difficulties in regard to labour that were bound to arise in connection with the administration of Samoa. He held the view that proper time should be taken by the House and by the people of the country to consider fully before deciding what legislation was to be passed, dealing with a class of labour unknown to New Zealand, for the carrying out of the work in that tropical country. Then, while it might be all right in the meantime to establish a Legislative Council of not more than four appointed officials, and four elected members, he felt that the natives were entitled to representation in the Parliament of New Zealand. If the natives of Samoa were to be governed by New Zealand with an Administrator there who was responsible to New Zealand, then, unquestionably, they should, in his opinion, have the right to representation in both branches of the Dominion Legislature, just as the Maori race had had for so many years.

He thought it one of the great tributes to the memory of the men who went away to the war that the island of Samoa, which before the war was in the hands of an unscrupulous enemy, was now to be held by the British. If held by an enemy it would have been a standing menace to the Empire, but especially to Australia and New Zealand.

The Constitutional Aspect.

Mr. Downie Stewart (Reform Party, *Dunedin West*) said the Leader of the Opposition had referred to the measure as representing a great constitutional change in the British Empire. The signing of the Peace Treaty by the self-governing Dominions raised the whole issue of what their status was to be in the future. By signing the Peace Treaty, New Zealand might have created for herself a new status altogether in the world of foreign affairs, and instead of being an act, as popularly supposed, to bring together more closely the component parts of the Empire, it might be that it was really the first and most serious step towards obtaining their independence and treating themselves as a sovereign Power. Assuming that, in reference to Samoa, they got into conflict with some Eastern Power, and that their view did not coincide with that of South Africa, or Canada, or even that of the Imperial Government, did it mean that by the act of signing the Peace Treaty they had assumed to themselves sovereign Power to make peace or war? Before any such act as the signing of the Peace Treaty by the Dominions took place, there should have been an organic change in the constitution of the British Empire. No doubt New Zealand would accept the task in regard to Samoa; and it would be one that would react for good on the people of New Zealand, fitting them for further tasks, and showing that in a proper spirit she could carry out the best British traditions; but he thought some opportunity should be afforded for the discussion of the implications involved in the signing of the Peace Treaty and the taking up of the mandate.

Indentured Labour.

Mr. H. E. Holland (Labour, *Grey*) said that one of the most regrettable features of the proposals outlined by the Minister of Defence had been that in which he had indicated that the principle of indentured labour was to be permitted in Samoa. Immediately the news went out to that effect, they were going to have the whole of the working classes of the country in opposition to the idea. The Labour Party in the House would fight the proposal to the last ditch; and the labour movement outside the House would fight to the last man and the last woman. Indentured labour meant slave labour.

The Prime Minister (the Right Hon. W. F. Massey) said that had the climate of Samoa been temperate, there would never have been any idea of indentured or coloured labour at all; but, while Samoa was a healthy climate for Europeans to live in, it was not one in which a European could do hard work. He had not the slightest doubt that when the natives understood the position it would not be necessary to indenture them. As to the Chinese coolies, the Chinese Government looked after them.

Strategic Points.

The two most important strategic portions of the Pacific were Samoa, including Savaii and Rabaul. Samoa was being handed over to New Zealand, and Rabaul to the Australian Government, and he hoped they would remain British for all time. It would be for the peace of the Pacific if that were so.

The Constitutional Question.

Referring to the opinions expressed by Mr. Downie Stewart with regard to the signing of the Peace Treaty by the representatives of the British Dominions, he said:—

“We signed it, not as independent nations in the ordinary sense of the term. We signed it as the representatives of self-governing nations within the Empire; we signed it as partners in the Empire—partners, with everything that the name implies.”

He differed from the hon. gentleman, who seemed to think that the great change which took place in the British Constitution dated from the signing of the Treaty. The change (and it was a most important change, not only for the Dominions but for other countries that formed part of the Empire) dated, in his opinion, from the date that the representatives of the Dominions were called to the Councils of the Empire, from the setting up of the first Imperial War Cabinet, when the Dominions were asked to send representatives to take part in the discussion and consideration of the questions arising out of the war. There was a great deal more to be done, and there was an understanding between the statesmen of the British Empire that, when matters settled down to normal again, an important Imperial Conference would be called and an endeavour made to provide a constitution suitable to the changing circumstances and conditions of the Empire. But no Dominion had power to make either peace or war. If it became necessary for Britain to make war—and he hoped it never would—she would do so wholly as an Empire, not as the United Kingdom or as England, and would make peace as an Empire; and in making war or peace the British Dominions would have a full say. There was no such thing now as a tendency to break away on the part of the British

Dominions, and all that had taken place meant that they had been brought much closer together than ever before. One of the greatest results of the war was the fact that it had cemented the British Empire into one complete whole—into a unity that could not be destroyed. Anyone who doubted the wisdom of New Zealand accepting the control of Samoa should consider the alternative, which would have meant that Samoa would have gone to a foreign power, and if that Power happened to be an enemy, it could very easily cut off communication between New Zealand and the outside world. There could be no serious financial sacrifice in connection with Samoa, because it would be self-supporting; also he thought they would be able to attract to Samoa a very good class of settlers.

The Order in Council.

The method of dealing with the matter as they were doing, instead of in the ordinary way by Bill was a round-about method, but was the only possible one under the circumstances. He saw no reason why they should not have the matter brought up next session by means of a Bill, and consider the whole question carefully, as it deserved to be considered.

The Pacific and the Next War.

Mr. Massey referred to Admiral Jellicoe's report, and said there was no question that the possibilities of the Pacific Islands had very greatly increased since the opening of the Panama Canal. It had been borne in upon him that the next war would be a naval one, and that the storm-centre would be the Pacific. Though, apparently, there was no cloud upon the horizon at present, they could make ready, and when the great day arrived he believed that the nations of the Empire, the Dominions of the Empire, would stand together side by side, as they stood on the Western Front in the Great War, when they did credit to themselves and their countries and to the great Empire to which they belonged.

The Maori View.

The Hon. A. T. Ngata (*Eastern Maori Electorate*) said that he agreed with the Minister of Defence that New Zealand was the country best equipped for the management of Polynesian affairs, and for more reasons than one he would be glad to see Samoan representation in the Upper House of the New Zealand Legislature. He thought it might be wise not to stress too much the matter of profit and trade in connection with Samoa, but try the experiment of merely bringing up a happy and comfortable people without introducing

unduly the element of competition in trade. The European could not work in Samoa on account of the heat. In order to develop the resources of the country it was desired to use Indians and Chinamen. Were they going to introduce that class of labour into beautiful Samoa in order to export more rubber and cocoa-nuts? The important thing was occupation under British rule of a portion of Samoa so as to keep the Hun out of it.

Indentured Labour.

Mr. C. J. Parr (*Reform Party, Eden*) said he would vote for the mandate because he could see no way out of it. He would have preferred to have seen Samoa taken over by the Empire and administered as a Crown Colony. Already the discussion had shown that upon the question of labour in Samoa there was a marked division of opinion. It was a country of great fertility and natural resources. Were they to leave these resources undeveloped, or to see that labour was found to develop them? He despaired entirely of getting the Samoan to labour in industry of any kind. He admitted that he did not like the idea of indentured labour, and would be very sorry indeed to see the Samoans degraded by having an inferior race mixed up with them. That labour had to be got from outside was, he thought, clear. They had not been given a mandate to neglect Samoa, but to develop the country, having regard first of all to the welfare of the natives, and they could not sit down and do nothing. He thought it would be possible to bring labour in from outside and remove the objectionable features of indenture.

The Hon. J. A. Hanan (*Liberal, Invercargill*) said he believed that, whilst some good results might proceed from the mandate, he was much concerned at the suggestion that there should be indentured labour in Samoa. He was strongly opposed to it, and he believed that if a referendum were taken to-morrow of the people of New Zealand on the subject, the answer would be in the negative. He was not prepared to help to develop the commercial and trading interests there if it was to be at the expense of the moral and social welfare of the people. Health and education were the main lines on which they should proceed if they wished to help the people of those islands.

The Minister of Defence (*Hon. Sir James Allen*) in his reply said that he desired to remove a misapprehension in the minds of some honourable members with regard to the German plantations and German businesses in Samoa. The Peace Treaty and the Covenant of the League of Nations authorised the Mandatory Power to take over all the properties of the enemy aliens; and it was the intention of the

New Zealand government to take over all the plantations of the Germans.

With regard to indentured labour, it had been introduced under strict regulations. The same policy would be followed with regard to Samoa as had been done in the case of the Cook Islands, namely, that of gradually educating the people to work for themselves.

As to whether the signing of the Peace Treaty by the Dominions might lead to a breaking up of the British Empire or to its closer union, his opinion was that never had anything been done in the history of the Empire that had brought the various Dominions into closer contact with the Mother Country and tied the bonds tighter than what was done during the Peace Conference.

The Bill was then read a second time, and after having been amended by the addition of a new clause to the effect that it should remain in force for twelve months and no longer, it passed its third reading.

DEBATE IN THE LEGISLATIVE COUNCIL.

The Bill passed quickly through its various stages in the Legislative Council. The debate upon it was taken with that upon the External Affairs Bill,* the Attorney-General (Sir Francis Bell) pointing out that the two Bills formed together practically one enactment.

The Attorney-General (Hon. Sir Francis Bell) speaking on the second reading, said that the Government of New Zealand was to occupy in the future in the Pacific a different position from any that it had held before. The jurisdiction that had been granted over the Cook Islands was a great extension of the previous limits of the authority of the Dominion; but that was in respect of islands which had long been under British Protectorate. They were now asked to assume authority over more distant islands in the Pacific by the assembly of the Nations at Versailles in a treaty, to a part in which New Zealand had been admitted by the other signatory nations as, it was true, a Dominion of the British Empire, but still as a constituent part of the nations to be bound by the treaty. There had been much suggestion that what they were proposing to take was the assumption of a burden for which they were unfit, and that it might impose upon the people of that country pecuniary obligations in addition to those which they now had to bear, and that it would be better for them to refuse the mandate. The Government had no doubt as to what was the duty of the country

* See page 176.

in response to so great an invitation, and he trusted that they would never be so craven as to refuse to take up the burden on the ground that they were not fit for it, thereby declaring that they had no interest or function beyond the boundaries of the Dominion of New Zealand. What the Bill authorised, namely, legislation by Order in Council for the Government of Samoa was, no doubt, a considerable demand on the confidence of Parliament in the Government of the day. They did not intend to act without the consideration and approval of the Imperial authorities. At present Samoa was territory to be administered by them, but after a time, according to the terms of the treaty, a vote would be taken, and if the vote were favourable, Samoa would become an integral part of the Dominion of New Zealand.

With regard to the Ministry of External Affairs, the responsible Minister would be in charge of the Cook Islands as well as Samoa; and there were other external affairs, such as communications with the adjoining Commonwealth of Australia which would properly come within the functions of that Minister.

EXTERNAL AFFAIRS ACT.

This Bill was introduced in the House of Representatives on 14th October by the Minister of Defence and passed its second and third readings on the 17th October.

It passed its third reading in the Legislative Council on the 23rd October. It was treated in the Council as practically one enactment with, and forming part of the Samoan Mandate Bill.

It received the assent of the Governor-General on 29th October.

The object of the Act is to provide for a Ministry of External Affairs.

The Act provides for the appointment of a Minister of External Affairs and for a Secretary for External Affairs and the establishment of an External Affairs Department.

The Minister for External Affairs is to be charged with the administration of the Government of the Dependencies of New Zealand, including that of the Cook Islands, the administration of which the Bill provides shall be transferred to the External Affairs Department.

The Minister of Defence (Hon. Sir James Allen), speaking on 17th October in support of the second reading of the Bill, said that it was only the corollary of the Bill they had just dealt with (the Treaties of Peace Bill). Hon. Members would realise that if the mandate for Samoa was to be taken by New Zealand, some responsible Minister must

be appointed in charge of the affairs of Samoa and the Cook Islands, and to deal with other external questions, which were now, as the Leader of the Opposition (the Right Hon. Sir Joseph Ward) well knew, scattered amongst various Ministers. Even without the mandate, it appeared to him that the time had arrived when there must be a Ministry of External Affairs, in view of the larger connection they now had with external matters.

In answer to the Leader of the Opposition (the Right Hon. Sir Joseph Ward), Sir James Allen said it was intended that the Minister of External Affairs should be a Minister resident in New Zealand, just as other Ministers were.

The Bill was then read a second and third time.

NAURU ISLAND AGREEMENT.

The Agreement with reference to the island of Nauru between the British Government, the Australian Commonwealth and the Dominion of New Zealand came up for ratification and was duly ratified in the New Zealand House of Representatives on 23rd October, and in the Legislative Council on 28th October.

The terms of the Agreement are sufficiently set forth in notes of the debates upon it in the Parliament of the Australian Commonwealth (see page 133).

The Nauru Agreement is also dealt with in the debate on the Peace Treaty, which took place in the New Zealand House of Representatives on the 2nd September (see page 159).

DEBATE IN HOUSE OF REPRESENTATIVES.

The Prime Minister (the Right Hon. W. F. Massey) moved in the House of Representatives on 23rd October:—

That the House of Representatives of New Zealand in Parliament assembled resolves that this House assents to the ratification of the agreement between His Majesty's Government, His Majesty's Government of the Commonwealth of Australia, and His Majesty's Government of the Dominion of New Zealand, relating to the administration of Nauru, and for the mining of the phosphate deposits of the island.

Mr. Massey said that it had been suggested that the 16 per cent. allocated to New Zealand was not enough for their requirements, but the agreement provided for a readjustment every five years in accordance with the actual requirements of each country. When he was dealing with the proportion to be allocated to New Zealand he had been faced with the position that New Zealand had not imported phosphates from

Nauru to any great extent. His efforts were directed towards getting New Zealand's claim admitted, in which he succeeded. He would have liked the period of readjustment fixed at three years instead of five, but the others would not agree. But even 16 per cent. had its compensations, for it meant a lessened contribution towards the compensation to be paid for the purchase of the Company's rights in the island.

He had, he said, already referred to the legislation which was necessary to be passed before the agreement came into force, and he knew that the opinion in the House and the country was favourable to the proposal.

Several questions and interjections followed, showing the anxiety of members that phosphates from Nauru should be obtained as soon as possible.

The Right Hon. Sir Joseph Ward (*Liberal, Leader of the Opposition*) said he thought the House generally realised that the Agreement, whether they agreed with its conditions or not, must be put through. The importance of procuring phosphates for the country required that that should be done. He did not wish it to be assumed, however, that he personally agreed with all the provisions of the Agreement. He thought the price to be paid for the phosphates was high; and that it was unsatisfactory that the amount to be paid to the Company which was to be bought out would have to be settled by a Commission: there was no maximum fixed, and, in his experience, when no amount was stated in an agreement, litigation invariably followed. If it were possible to obviate the uncertainty of the provisions of the Agreement, the British Government should be asked to provide for proper safeguards.

Mr. T. M. Wilford (*Liberal, Hutt*), **The Hon. G. W. Russell** (*Liberal, Avon*), **The Hon. David Buddo** (*Liberal, Kaiapoi*), and other members also spoke in favour of the ratification of the Agreement, urging the importance to New Zealand of obtaining a good supply of phosphates.

The Prime Minister (**The Right Hon. W. F. Massey**) thanked hon. members for the very favourable reception of his motion. So far as it was possible for him to judge, it would be carried unanimously, and if that were so, it would have a very good effect, not only in England, but in their neighbouring country, Australia.

A number of questions having been asked and replied to, the motion was agreed to.

LEGISLATIVE COUNCIL.

The Attorney-General (**Hon. Sir Francis Bell**) moved the ratification of the Agreement in the Legislative Council on 28th October. After explaining the details of the

Agreement, he said that it was surely an event. In comparison with the mandate for Samoa, it was not so epoch-making an event, but it was an event of importance. For the first time the Imperial Government, the New Zealand Government, and another Government had entered into a joint working agreement, and their Parliaments asked to ratify an arrangement arrived at by their Prime Ministers, with the approval of the mandate of the League of Nations.

The motion was agreed to after a very short debate.

UNDESIRABLE IMMIGRANTS EXCLUSION BILL.*

This Bill was introduced by the Prime Minister in the House of Representatives and passed its second reading on 23rd October.

The object of the Bill is to control the entry into New Zealand of Germans, Austrians, etc.

The main provisions of the Bill are :—

(1) That every person landing in New Zealand is to be required to furnish full particulars regarding nationality, parentage and other facts concerning himself, which particulars are set out in the Schedule to the Bill.

(2) No German or Austrian is to land without the prior authority of the Attorney-General.

(3) The landing in New Zealand of anyone not being a permanent resident of New Zealand, who may be deemed a disloyal or disaffected person, may be prohibited by the Attorney-General (Clause 5).

(4) There is also power to deport certain persons and to arrest pending deportation.

(5) The Bill contains penal and other clauses and a clause extending the operation of the Bill to the Cook Islands dependency.

The Prime Minister (the Right Hon. W. F. Massey), in moving the second reading of the Bill, referred to regulations that had been in force during the war with regard to enemy subjects, and said that if the war were allowed to terminate without legislation on the subject, the Government would have no power to impose any restrictions on the free entrance into New Zealand of Germans and other former enemies, nor compulsorily to repatriate or deport unnaturalised alien enemies already in the Dominion. Under the Bill every alien born within the German Empire in Europe was to be deemed a German. This substituted the more convenient test of place of birth, which was an ascertainable fact, for the test of nationality in law, which was always a difficulty when dealing

* It would appear, from a telegram which recently appeared in the public Press, that the above Bill has passed into law. Further information will be given in the next number of the Journal.

with foreigners. Also, all persons, wherever born, were to be excluded if they had at any time been German subjects. Further, unnaturalised Germans and Austrians might be compulsorily repatriated if they were disaffected, disloyal, etc. Mr. Massey then dealt with the clauses of the Bill in detail and said he agreed with the Leader of the Opposition (Sir Joseph Ward) in the view that the Bill was very important, and under the circumstances, very necessary. He had already indicated that he did not propose to go further than the second reading, but he hoped it would be agreed to before the Session came to an end.

The Right Hon. Sir Joseph Ward (*Liberal, Leader of the Opposition*) said he thought that the Bill was of such importance that he doubted the propriety of taking the second reading when so many members were absent from the House. He thought the enormous powers conferred on the Attorney-General under Clause 5 were more than should be centred in one man. He agreed that the powers should be drastic, but they should remember that the Bill before them was one that would come into direct contact with foreign nations. An error of judgment there might readily give rise to Imperial complications. He felt that there ought to be some way of stopping the embarkation of undesirables at the port of departure, and he suggested that extended power in this respect might be given to a Dominion representative in England, and other places where the Dominion might be represented. Freedom of movement within the British Empire before the war had been one of the things they had claimed to British people travelling throughout the British Empire, but that was a thing of the past. The Bill proposed to continue in times of peace, drastic provisions that in war time were necessary, but the Bill consolidated and perpetuated them. He suggested that, in lieu of the power given to the Attorney-General, to which he had referred, such power should be vested in the Cabinet.

Mr. H. Holland (*Labour, Grey*) spoke very strongly against the Bill. He would not be prepared to place in the hands of the Cabinet itself certain powers which were embodied in the Bill. Under one clause evidence in a prosecution for an offence under the Bill might be admitted, whether it would be otherwise legally admissible or not in a court of law, and the protection in such cases was taken away which would be afforded to a burglar or to the worst form of criminal. Then Clause 5, which gave the Attorney-General such power with regard to preventing people from landing in New Zealand whom he might deem to be disloyal or disaffected, contained an element of supreme danger, because everything depended on the interpretation which might be placed on the words "disaffected" and "disloyal" by any narrowly prejudiced

man who might happen to be Attorney-General. He mentioned leaders of Labour and others in the United Kingdom and elsewhere, and said that whatever country a man came from, if he should come there from the labour organisations of his country, he would say, speaking for the labour movement in New Zealand, that they had no right to prevent him from coming into the country.

The Prime Minister said they had had a very bitter diatribe from the last speaker (Mr. H. Holland), who had distorted Clause 5 in a way that was certainly not justifiable. The one mistake Britain had been making for the last hundred years was in admitting to her shores—and the Dominions were not very much better—all sorts and conditions of men. Britain had learnt a lesson and so had they; and they wanted to make sure that no immigrants should come into the country unless they were loyal. The people who were disaffected, who favoured Bolshevism and I.W.W.-ism, and who had sympathies with revolutionary Socialism were not wanted there, and the country was better without them. He was willing to accept reasonable amendments in Committee, but the principle of the Bill must be adhered to.

NATURALISED SUBJECTS FRANCHISE BILL.

This Bill was introduced by Mr. J. V. Brown (Liberal), by leave of the House on 29th August, 1919, and was read a first time.

The object of the Bill is to incapacitate naturalised British subjects of enemy origin from holding public positions or being enfranchised.

The Bill provides that a naturalised British subject of enemy origin shall be incapable of being elected to the Legislative Council, the House of Representatives, or the Council of any local authority; of officiating as a Justice of the Peace, Coroner, or of holding a publican's licence, or of having any vote in Parliamentary or local government matters. It also provides that naturalisation shall only be granted on conditions of seven years' residence; twelve months' additional qualifying period; full disclosure of previous history and business; public notice of intention to apply; testimony as to character by four natural-born British subjects; renunciation of allegiance to country of previous nationality; evidence of good character, knowledge of the English language and of intention as to residence; revocation of naturalisation if resident for more than five years outside the King's dominions. It is further provided that no naturalised person shall become a member of either Legislature, etc., a pilot of a British ship (except under licence) or change his name without permission from the Minister of Internal Affairs.

Mr. J. V. Brown (Liberal, *Napier*), speaking on the question that leave be given to introduce the Bill, said that similar

legislation had been in operation for four years in New South Wales, and that the present was the Fourth Session the Bill had appeared before the House, but for some reason which he could not understand the National Government had always turned it down. If the present Government would not allow him to pass it, he hoped they would peruse it and proceed with it themselves as a Government measure.

WOMEN'S PARLIAMENTARY RIGHTS ACT.

This Bill was introduced in the House of Representatives by the Prime Minister. It passed its second and third readings on 26th September, but was amended by the Legislative Council on 3rd October, on a point of privilege by striking out all reference to the Council. The amendment was accepted (see below) and the Bill received the Governor-General's Assent on 29th October.

The object of the Bill was to enable women to become members of the Legislative Council or of the House of Representatives.

The Bill provided that a woman should not be disqualified by sex or marriage from being appointed or elected and thereafter sitting or voting as a member of either House of the Legislature.

Amendment.

The Legislative Council amended the Bill by striking out all reference to the Council. This amendment was eventually accepted by the Lower House on the 17th October, and the Prime Minister then stated that he had arranged with the Leader of the Council that an independent Bill should be brought down in the Legislative Council to deal with the subject. This was subsequently done, but the Bill was thrown out on the Second Reading.

HOUSE OF REPRESENTATIVES.

The Prime Minister (the Right Hon. W. F. Massey), speaking on 26th September in support of the second reading, stated that the principle of the Bill was really the outcome of granting the parliamentary franchise to the women of New Zealand. When the original Women's Franchise Bill was passed some twenty-five years ago, there was no demand that women should have the right to become candidates and members of either House; but the widening of the franchise in Britain, enabling women to become candidates for Parliament, called attention to the state of the law in New Zealand, and created a certain demand that women in the Dominion should be placed on a similar footing.

Upon being asked as to the date upon which it was proposed to take the committal of the Bill, Mr. Massey said that he thought its reception had been so enthusiastic that members would agree to the measure being passed through all its stages at that sitting; and the Bill passed its third reading the same evening.

LEGISLATIVE COUNCIL.

The Hon. J. McGregor (*Dunedin*) speaking on the first reading of the Bill in the Legislative Council on the 30th September, raised the question of privilege, on the ground that in any case where it was proposed to make any change in the constitution of either House of Parliament, the measure intended to effect that change must originate in the House whose constitution was proposed to be affected.

The Speaker (Hon. W. C. F. Carncross) stated that he would not give an immediate decision on the point raised, but would permit the Bill to go through its first reading, and then give the matter his further consideration.

He gave his decision on 30th September, and ruled that, as the Bill proposed to amend the constitution of the Council, and was, therefore, as far as it related to the Legislative Council, an infringement of the privileges of the Council, that portion of it should not be accepted.

Amendment.

The Attorney-General (Hon. Sir Francis Bell) in moving the third reading of the Bill in the Legislative Council on 3rd October, stated that it had been amended in Committee (by striking out all reference to the Legislative Council) and that, as altered, there was no interference with the privileges of the Council. He therefore submitted that, the question being essentially one for decision in another place, the Council should concur in the Bill as it then stood, whatever might be the opinion of members privately on the question as to whether women should sit in Parliament.

The Bill was then read a third time.

BOARD OF TRADE ACT.

(Control of Industries: Prevention of Profiteering, &c.).

The Board of Trade Bill was introduced in the House of Representatives on 3rd September, 1919, by the Hon. W. D. S. MacDonald (Liberal, *Bay of Plenty*) by leave of the House, and read a first time, but was not proceeded with. It

was re-introduced in the House of Representatives by the Prime Minister, on 9th September, and passed its third reading on 19th September; and, after having been amended in the Legislative Council, was assented to on 4th November, 1919.

The object of the Act is to make better provision for the maintenance and control of the Industries, Trade and Commerce of New Zealand, prevention of profiteering, hoarding, etc., to be carried into effect by the establishment of a Department of Industries and Commerce, and a Board of Trade, possessing the respective functions set forth in the Act.*

The Act provides that the Department of Industries and Commerce is to be charged with the administration of the Act, and is to consist of (1) a Minister as head of the Department, (2) the New Zealand Board of Trade as constituted under the Act, (3) the Secretary of Industries and Commerce as Chief Administrative Officer, (4) the Secretary of the New Zealand Board of Trade, and (5) an official staff. The office of Secretary to the Department of Industries and Commerce may be held concurrently with that of Secretary to the Board of Trade. The New Zealand Board of Trade is to consist of the Minister of Industries and Commerce as President, and four other paid members (appointed for five years), who are not to be engaged in any other paid employment.

The main functions of the Board of Trade are set forth in Clause 12 of the Act. The Board is empowered to obtain by means of investigations, and judicial inquiries, information as to the industries of New Zealand and to publish any such information as it thinks fit, any such publication being absolutely privileged; also to procure by means of Regulations the due control, maintenance and development of such industries. The Board is vested with full powers to hold inquiries, summon witnesses, take evidence on oath, and require the production of books or documents, appoint Associates to assist in the conduct of any such inquiries, delegate its judicial powers to one or more of its members, etc., but the inquiries are to be held in private. In lieu of an inquiry, an investigation may be held, in which case the Board may require any person, firm, etc., to answer questions put in writing, to produce books, documents, etc., subject to certain penalties in default of so doing. The power to summon witnesses, take evidence, and require the production of books, etc., applies also to the Crown, except in cases where the interests of the State would be prejudiced.

Further, the Governor-General may, by Order in Council, on the recommendation of the Board of Trade, make regulations (A) for the suppression of methods of competition or business considered to be unfair or prejudicial to industry or to the public welfare; (B) for the suppression of monopolies and combinations considered prejudicial to industry or the public welfare; (C) for the establishment of fixed maximum or minimum prices or rates for any classes of goods or services; (D) for the control of differential prices or rates for goods or services, or the differential treatment of different persons or classes in respect of

* A Board of Trade had been previously established under the Cost of Living Act, 1915, and the present Act provides that the New Zealand Board of Trade now constituted is to be deemed identical therewith, and that the members of the old Board are to continue in office for the remainder of their respective terms of appointments.

goods or services in cases where they are considered prejudicial to industry or to the public welfare; and (E) for the regulation and control of industries in any other manner deemed necessary for the economic welfare of the Dominion. No regulation may be made, however, determining wages in any industry.

Regarding profiteering, it is made an offence for any person, either as principal or agent, to sell or supply, or offer for sale or supply, goods at a price unreasonably high. The price is to be deemed "unreasonably high" if it produces, or is calculated to produce, more than a fair and reasonable rate of commercial profit to the person so selling or offering for sale.

Another clause makes it an offence for a person who is in possession of goods for mercantile purposes to destroy, hoard, or refuse to sell such goods, if such action tends to raise the cost of similar goods. The remainder of the Act consists mainly of penal clauses.

DEBATE IN HOUSE OF REPRESENTATIVES.

The Prime Minister (the Right Hon. W. F. Massey) speaking in the House of Representatives on 9th September, on the first reading, said that it was really a Bill drafted by instructions of the Hon. W. D. S. MacDonald. There was a generally expressed wish that he (the Prime Minister) should take it over, and he had done so, adding some clauses that he thought necessary. Speaking on the second reading of the Bill on the 12th September, Mr. Massey said it was a Bill that had attracted a great deal of attention from one end of the Dominion to the other, and also in another country besides New Zealand. He said that, rightly or wrongly, there was an impression throughout the country that a good deal of profiteering had been going on. He referred to the causes which had contributed to the increase in the cost of living, but said there was some consolation in knowing that in New Zealand the increase had been less than in almost any other country in the world. They had no control over imported articles. There was only one possible thing left for them to do, namely, to stop profiteering, and that was the specific object of the Bill.

He referred at length to the steps which had been taken by the Government to keep down the cost of living, and then dealt in detail with the clauses of the Bill, pointing out that Clause 12 expressed in general terms the functions of the Board. This was the central provision of the Bill, and the remaining clauses merely provided the necessary machinery for giving effect thereto. The Cost of Living Act, 1915, had conferred upon the Board in general terms the powers of a Commission; but this provision had not been found quite satisfactory in practice, and the present Bill conferred on the Board specific powers with respect to its inquiries relative to industries.

After referring to other clauses, Mr. Massey said he was quite sure that though some might differ from the Government and with the original promoter of the Bill in some of its details, every Member of the House would agree with the main object.

The Hon. Sir John Findlay (*Liberal, Hawkes Bay*) said he thought that no measure more effective in its purpose had been introduced into the House. The conclusion of the best expert thought of the world was that, although profiteering and other similar causes had contributed largely to the soaring cost of living, the main root of the evil lay in the instability, the rapidly-depreciating purchasing power of money standards. If the present high prices had come to stay, then proper adjustments should be made in increased wages and salaries—including the superannuation of retired civil servants and pensioners. He dealt at great length with the proposals of Professor Irving Fisher, of Yale University, on the stabilisation of money standards, and urged the Prime Minister to have the matter investigated, as was being done in America.

Hon. J. A. Hanan (*Liberal, Invercargill*) said he wished to deal with the question from the point of view of land-holding and the source of the food supply. Land was the source of the food supply, and if the food-store was monopolised by the few, it followed that those few could demand in regard to the production of food and other farm products from the land almost what prices they wished. If they wanted greatly to increase production in the country, they had to make up their minds to take radical measures that would make New Zealand a country of small holdings, like Denmark. He also argued the State ought to run woollen-mills. He added that they were not getting out of the land of New Zealand anything like that of which it was capable.

Mr. J. P. Luke (*Reform Party, Wellington North*) approved strongly of the Bill. The principal feature, to his mind, was the constitution of the Board, in that there was one Minister who would have absolute control of Industries and Commerce. He thought these two undertakings were inseparable. He firmly believed in the Empire being as self-contained as possible. They sent the bulk of their produce to the Old Country, and Great Britain should be their first and their best customer in respect of finished products. He thought that the outcome of the war would be the creation of a spirit of Empire partnership; and not only with Australia, South Africa, New Zealand and Canada, but all the outposts of the Empire would become closely united in an Imperial Partnership. Their duty was to see that when the Bill was passed it should be a strong and effective instrument for providing that the people of the country should obtain not only their food at a fair rate, but other essentials that made up domestic

requirements. He did not think the country should hesitate about dealing with other essentials such as coal supply, and he trusted the Government would without delay take action to nationalise the coal-mines.

The Right Hon. Sir Joseph Ward (*Liberal ; Leader of the Opposition*) said that he supported the Bill. He dwelt at length on the world-wide causes of increase in the cost of living as a result of the war. He did not believe that any theories put forward by Mr. Irving Fisher or anyone else were going to give them the full value of the sovereign until they got back to normal conditions, and they must wait a reasonable time before the conditions of trade, the social conditions, and the industrial conditions in the different countries enabled that to be brought about.

Mr. P. Fraser (*Labour, Wellington South*) said that the Bill could not hold out any great hope of dealing thoroughly and effectively with the question of exploitation and excessive profits. It was impossible for any Board to determine what was a fair and reasonable rate of commercial profit. The charge of Labour against the Government was not merely that it did not deal adequately with the cost-of-living problems : it was that, on the contrary, the Government intensified the problem. They found that in its taxation proposals the Government provided for increased railway freights and fares, increased stamp duties, and there was a variety of other increases which ultimately culminated in the tax on tea. He submitted that in the direction advocated by the Board of Trade, and in the direction provided for in that Bill, there was no solution of the problem. There was, however, a solution in the State itself stepping in and extending its influences, scope, and enterprises.

LEGISLATIVE COUNCIL.

A lengthy debate on the Bill took place in the Legislative Council, in which **The Attorney-General** (*Hon. Sir Francis Bell*) spoke very fully, as also did a number of other members. Certain amendments were made which were eventually accepted by the House of Representatives.

PROPORTIONAL REPRESENTATION AND EFFECTIVE VOTING.

This Bill was introduced in the House of Representatives by Mr. Veitch (*Labour, Wanganui*), and passed its second reading on the 10th September.

The object of the Bill is to provide a system of Proportional Representation for the Election of Members of the House of Representatives, in lieu of the existing system.

The Bill provides for the division of the Dominion into four electoral divisions; and, pending the determination of the boundaries by "Representation Commissions" for each island, the four electoral divisions are respectively to comprise the existing electoral districts set forth in the schedule to the Bill opposite each such electoral division. The House of Representatives is to consist of 80 members, and until the Representation Commissions alter the boundaries, 21 members are to be elected from each of the first and second, and 19 from each of the third and fourth, electoral divisions. Rules are laid down for the determination by the Representation Commissions of the number of members for the North and South Islands respectively, also for the determination of the boundaries of electoral divisions and the number of members to be returned by each division.

In case of failure to elect a sufficient number of members for any electoral division the Bill gives the House of Representatives power to make up the number required. Provision is likewise made for the filling of casual vacancies. Ballot papers for an election must contain the names of all the candidates nominated in the electoral division arranged alphabetically with squares opposite each name, and in lieu of marking his ballot paper in the usual way the voter places in the squares referred to opposite the respective names the figures 1, 2 and 3 so as to indicate the order of his preference.

The third schedule to the Bill sets forth the rules to be observed in counting the votes so as to give effect to the system of preferential voting.

The remainder of the Bill deals with the machinery for carrying through an election and applies certain sections of the Legislature Act, *mutatis mutandis*.

Mr. W. A. Veitch (Labour, Wanganui), in moving the second reading of the Bill, said that he did not propose to go into the underlying principles of proportional representation. He believed that the people wanted a more satisfactory system of election than the method of "first past the post." It had been suggested by some that a system of preferential voting should be adopted, but that was, he said, very little, if any, better than the present system. He instanced the British Elections of 1885, when the aggregate majority of the Liberals over the Conservatives was a little over half a million votes, giving the Liberal party a majority of 158 members, and how in the following year another election took place, when the Liberal majority was 54,817 votes, and yet in face of that majority the position was reversed and the Conservative party was actually returned with a majority of 104 members. In the figures quoted only two parties were contending, whilst in New Zealand there were more than two parties, so that the evils of the system were amplified. Everything should be done to secure a true representation of all sections in the next Parliament, for he believed that the responsibility

devolving upon it would be much greater than that of any Parliament that had hitherto existed in the Dominion.

Mr. John Payne (Labour, Grey Lynn) said that he looked upon proportional representation as one of the biggest fallacies offered to any section of Parliament. It was bound to be unsatisfactory to every section, because the logical outcome of it was that there were bound to be three parties returned, or sections of three parties; and it meant a compromise between two sections in order to obtain a majority, with all the disabilities that compromise meant. His opinion was that proportional representation was one of the finest schemes that had ever been brought forward to prevent labour from coming into its own. Labour had a platform entirely its own, and he would like to see the Labour party stop hugging the fallacy of proportional representation and be content to get into power as other parties had done in the past, and be able to put some practical measures on the statute book, and so be able to convince the people that they were worthy of holding power.

Mr. Veitch, in reply, traversed Mr. Payne's arguments and said that two reforms were necessary: one reform was contained in the Bill before the House, and the other was a reform in the method of carrying on the business of the House; but until they had a proper system of electing members on a sound basis they could not hope to get reasonable reform in Parliament.

The Bill was then read a second time.

POPULAR INITIATIVE AND REFERENDUM BILL.

This Bill was introduced by **Mr. J. McCombs (Labour)**, by leave of the House on the 9th September, 1919, and read a first time. The Bill had been introduced by the same member during the previous session.

The object of the Bill is to place in the hands of the general body of electors the power both to initiate legislation and to demand a referendum upon any Act or Bill before being passed into law.

The Bill provides that proceedings under it are to be begun by petition to the Governor-General, the House of Representatives, or the Legislative Council, as the case may require.

A petition to the Governor-General may pray,—

(A) That any proposed law set out in detail in the petition may, unless the Parliament passes a Bill for an Act to give effect thereto within the time specified in the present Bill, be submitted to the electors; or

(B) That any Act or any Bill presented to the Governor-General for His Majesty's assent may be submitted to the electors.

A petition to the House of Representatives or to the Legislative Council may pray,—

That a Bill for giving effect to a project of a law annexed to the petition may be prepared and passed.

In the case of a petition to either House, the substance of the project need only be set out in general terms.

A petition to the Governor-General must be signed by at least 15 per cent., and a petition to either House by at least 10 per cent., of the electors. A petition, when complete, is to be lodged with the Chief Electoral Officer, who, having certified it to be in order, would forward it to the proper quarter. In the case of a petition for the submission of a proposed law being presented to the Governor-General, he is to transmit a copy to the Speaker within 30 days after presentation, if Parliament is in Session at any time during that period, and if not, then within 30 days of the next meeting of Parliament. Then, unless Parliament within the prescribed limit of time passes a Bill to give effect to the proposed law, without any substantial alteration, the Governor-General is, within three months thereafter, to authorise the submission of the proposed law to the electors.

In the case of a petition to the Governor-General for the submission to the electors of an Act or Bill, the authorisation must take place within two months of the presentation of the petition.

In case of a petition to either House of Parliament, the House of Representatives, or the Legislative Council, as the case may be, may by resolution direct any member thereof to prepare and introduce a Bill for an Act to carry into effect the project of law annexed to the petition, and such Bill may be proceeded with according to usual practice. If a Bill is passed by one House and not by another, or passed with an amendment, to which the other House will not agree, and if, after an interval of three months the first mentioned House in the same or the next Session again passes the Bill, then the Speaker of such House, on resolution of the members thereof, is to issue his warrant for the submission of the Bill to the electors, whose vote is to be taken at the next General Election held after the expiration of 40 days from the issue of the warrant.

If more than one requisition is received containing different proposals with respect to the same subject, or the Legislature decides to submit an alternative proposal, the decision of the electors shall be ascertained by means of preferential voting on the various proposals.

The remainder of the Bill sets forth the general machinery for carrying out the intention of the Bill.

Mr. J. McCombs (Labour, Lyttelton) said the object of the Bill was to secure for the people of New Zealand a larger measure of self-government than they at present possessed. The sovereign power in the country should not be Parliament, nor the Cabinet, nor the Legislative Council with its right of veto, but the ascertained will of the people; and it should be within the power of 10 per cent. of the people to demand a Referendum with regard to proposed legislation, and also to initiate legislation and demand a plebiscite of the whole people. He referred to the various provisions of the Bill,

and particularly to the fact that if the House thought that the promoters of a petition for proposed legislation were not stating the case fairly to the electors, the House might amend the proposal so that the electors should understand clearly what it was; and the House might also of its own initiative propose an alternative measure, submitting all issues at the same time by means of preferential voting on the Bill.

Mr. Downie Stewart (*Reform Party, Dunedin*), speaking in support of the Bill, said that it was being recognised that the power of Parliaments was concentrating itself more and more into the hands of the Cabinet, and that of the latter was in turn becoming vested in the Prime Minister, this being the position wherever Parliamentary Government obtained. He thought that any measure which afforded another means of expressing public opinion should, in view of the grave problems which were coming before Parliament, be welcomed.

The Hon. Sir John Findlay (*Liberal, Hawkes Bay*) also spoke in support of the Bill, and said that if they were sincere in their belief that the people should rule, the logical thing was to accept the Initiative and Referendum. In the case of a limited Referendum, a government might refuse to submit to the people questions which ought to be submitted under any proper theory of a Referendum. This difficulty would be got over by the Initiative, whereby the people could in a constitutional manner force upon the legislative body the duty of passing certain proposals into law.

The Hon. J. Hanan (*Liberal, Invercargill*) supported the Bill and said that the Initiative Referendum was one of the most effectual measures of reform that could be introduced to rectify the evils of the party machine, for with its power the people would be the masters of Parliament. He said: "The people are going to have more independent thinking and action in regard to some of the big problems which are confronting us to-day. . . . Regard for national interests and national welfare, and not for party interests, should be the dominating consideration and duty of all broad-minded, common-sense and patriotic men."

MORTGAGES EXTENSION ACT.

The Bill was introduced into the Legislative Council by the Attorney-General, and, after having been amended by the Joint Statutes Revision Committee of both Houses, passed its third reading. It was passed in the House of Representatives on the 14th October, and received the Governor-General's assent on the 24th October.

It repealed the Mortgages Extension Act, 1914, and its amendments.*

The Act provides that it shall not be lawful for a mortgagee under a mortgage to which the Act applies to call up a mortgage before the 31st December, 1920, without the leave of the Supreme Court, but the Supreme Court is empowered up to 31st December, 1920, to extend the terms of a mortgage up to 31st December, 1921.

The Act does not apply to "trade" mortgages (*i.e.*, mortgages to banks, trading companies, or merchants, securing current accounts) nor to loans granted to discharged soldiers under the Repatriation Act, 1918, nor to mortgages executed after the commencement of the Act.

* The Mortgages Extension Act, 1914, and its amendments, were passed for the limitation of the rights of mortgagees "during the state of war," and, according to the opinion of the Crown Law Officers could not—even coupled with the exercise by the Governor-General of the power vested in him of extending them for six months after a state of war had ceased to exist—remain in force after the 31st August, 1919.

A special Act, called the Expiring Laws Continuance Act, 1919, had therefore been passed earlier in the session, namely, the 30th August, whereby the operation of the Acts in question was extended until the 31st August, 1920, pending further legislation being passed; and such further legislation is provided by the Mortgages Extension Act, 1919.

SOUTH AFRICA.

The Fifth Session of the Second Parliament of the Union of South Africa opened on 6th September, 1919. Parliament was prorogued on 18th September.

PEACE TREATY RESOLUTION.

On 8th September the Prime Minister moved a resolution in the House of Assembly which after reciting that the Treaty of Peace was concluded at Versailles between the Allied and Associated Powers and Germany, and that it was expedient that the Treaty should be ratified or ratifications exchanged on behalf of the Union, continued :—

This House resolves that a humble address be presented to His Majesty, praying that His Majesty may be graciously pleased to ratify and exchange ratification of the Treaty on behalf of the Union of South Africa.

DEBATE IN HOUSE OF ASSEMBLY.

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts), proposing the above motion, sketched the main outlines of the Peace Treaty and laid special stress upon the new status of the Dominions. He pointed out that every precaution was adopted at the Peace Conference to safeguard the interests of the Empire. Although the Dominions had not fought for status they had achieved it, for none of the small nations of the world had larger results accruing to them from the war than the young nations of the Empire, and they had deserved it on account of the magnitude of their efforts. Canada and Australia, for instance, made a greater war effort than any other Power below first-class rank. It had taken some time for Paris to realise that the Empire instead of being one central government, consisted of a league of free, equal States working together for the great ideals of human government.

League of Nations—A Sublime Effort.

General Smuts described the League of Nations as a great constructive effort hammered out of the sufferings of untold millions. It was a sublime attempt for the better government of human kind. He considered that all else he had done in his lifetime was as dust and ashes compared with the small effort he had been able to contribute towards building up this new organisation for the future government of the world.

The Covenant of the League was the soul of the Treaty—a soul that would live when much of the Treaty, with its many blots and blemishes with which he disagreed, had disappeared. To him the Paris Conference was a sad place of disillusion, sometimes a place of despair. Some of those days he counted as the bitterest of his life, but always he remembered that the first chapter of the Treaty was the real thing. For South Africa, as a British Dominion, it had a double significance, firstly to secure world peace; secondly, as affording additional recognition of the Dominions, which had been made equal members in the Assembly and given a full right to be elected into the Council of the League.

Responsibilities of the New Status.

Undoubtedly, he said, there were Dominions important enough in the near future to secure a seat on the Inner Council. While the Dominions were determined to see that, if there was to be a League of Nations with equal representation of the nations, the League should include the Dominions, they were equally anxious that the ties of Empire should not be loosened. "We wanted," he explained, "to remain in the British League of Nations—which has worked with such enormous success in the past." Fears had been expressed in South Africa and elsewhere that the ultimate tendency of the League would be to break up the Empire. That was entirely misleading. He could well imagine great dominions arising which might become as important as Britain in the world, and then, if the inner league of Empire had not been secured, there would have been a danger of the Empire breaking up.

There had also been misgivings that South Africa might be drawn into the great vortex of European politics. Frankly, the new status must inevitably bring responsibilities, but, he added, "You cannot ask for recognition and admission among the nations of the world and still think you can sit on your ant heap in South Africa." He hoped they would be ready to bear responsibilities as willingly and whole-heartedly as they had borne them in the smaller league of Empire. Nevertheless, in the League of Nations nothing affecting South Africa could be done without her consent. Any nation affected must be a consenting party. The safeguards were most ample.

Great Charter of Labour.

He regarded the matter of next importance as Chapter 13, and might call it the League of Labour. It was necessary in order to safeguard ordinary social justice and would have very far-reaching effects throughout the world. Here, again, the Dominions had equal status. "I look upon this Labour

League," he remarked, "as the great Charter of Labour." He hoped that the world's workers would regard it as such and employ this means of getting their rights in all countries, rather than by looking to the destruction of social order.

Punishment and Reparation.

General Smuts thought it was due to the memory of their late chief to say that General Botha was very much disturbed over the tremendously drastic provisions for dealing with Germany's war criminals. His whole effort had been directed to selecting a small number of the most prominent war criminals for summary judgment.

Regarding Reparation, there was no chapter which caused so much consideration and the results were far from satisfactory and would have to be revised in future. The amount Germany had undertaken to pay was the private damage to civilians, the payment of pensions to the Allies and the making good of separation allowances which the government had paid during the war.

Appeal for Internal Peace.

Finally, the Prime Minister made an appeal to all sections that differences in South Africa should be speedily composed. He was convinced that the deepest longing of all sections of the people was for internal peace, "to let bygones be bygones, to make a new start and to march forward as one united nation to the noble destiny before us. . . . From my heart," he said, "all bitterness has gone. My only wish is to see real union among the people of South Africa."

A Nationalist's Attitude.

Dr. Steyn (Nationalist, *Vredesfort, O.F.S.*) condemned the Treaty as a breach of faith. He declared that President Wilson's fourteen points were not included and that the Treaty was opposed to the principles for which it was said the war was fought. The liquidation of private assets of German subjects in the Empire for use as part payment of the indemnity was against the Geneva Convention. He hoped the League of Nations was not to be a mere blind, but would be a great force for good. Apart from the League and the Labour Charter, the Covenant was one of iniquity.

Unionist Point of View.

Mr. Patrick Duncan (Unionist, *Fordsburg, Trans.*) said the real opposition to the League was that it would perpetuate the

connection between South Africa and the Empire, but nothing had been said about the former's position if she remained out of the League. The Peace Treaty was not going to bring South Africa into the maelstrom of the world's conflicts—she was already there. If South Africa became a Republic she would have less real independence than as a member of the League; she would not be able to pass laws regardless of other parts of the world as some members suggested, nor could they pass legislation affecting Indians and Asiatics without caring what people thought. Moreover, South Africa's war debts were negligible as compared with the advantages gained. He repudiated the suggestion that President Wilson had broken his word by signing the Treaty and ridiculed an interruption to the effect that he had been forced to sign it. He concluded with a tribute to the great work of the Prime Minister in respect of the League of Nations, the germ of which, he said, sprang from the fertile brain of General Smuts.

Further Nationalist Criticism.

Mr. Tielmann Roos (Nationalist, *Lichtenburg, Trans.*) denied that Generals Botha and Smuts were at the Peace Conference as plenipotentiaries. The League of Nations was built on a foundation of pillage and hypocrisy. Dealing at length with the status of the Union, he argued that the Dominions were not free States because Imperial statutes would be binding upon them. If the Union were a sovereign state in the same sense as the United Kingdom then the Union was answerable only to the League of Nations, which meant that the British Empire was to a very large extent dissolved. Moreover, the Union Parliament was not able to pass laws repugnant to Imperial statutes. He strongly condemned the action to be taken under the Treaty in regard to German missions and missionaries.

Dr. Malan (Nationalist, *Calvinia, Cape*) said they had nothing to ratify because South Africa had no say in the declaration of war. The Treaty breathed a spirit of domination, jealousy and revenge, despite the ideal of peace and justice that had been held before the world when the Peace Conference met. As regards President Wilson, the charge of *mala fide* had not been refuted. He protested against the disposal of parts of Germany without considering the desires of the population concerned. It was a case of gross international theft. The Treaty was no protection against Bolshevism, rather it created a spirit of despair which promoted Bolshevism. The League Covenant did not provide that only independent self-governing countries could be members because even India was admitted to membership. He asked whether, seeing that England had the right

to divest herself of colonies, the Dominions had the right to separate from England, for only if that were so could they call themselves sister states on a footing of equality.

General the Hon. J. B. M. Hertzog (Leader of the Nationalist Party) declared that none could say the great object for which the war had been waged and the Peace Conference held had been achieved. The conviction was world-wide that there would be another sanguinary war in fifteen years' time. The League of Nations was an alliance of four-fifths of the world to suppress the other fifth. He declared that the Allied pillage of 1919 was such that that of Germany in 1870 sank into nothing. For South Africa the League of Nations would spell financial burdens and conscription. Did South Africa's new status mean absolute equality with Britain—that both had a common King? The people wanted to know not how great was our status, but how great was our freedom. He demanded a clear reply: had South Africa the right to decide its own destiny just as England had?

The Prime Minister and his colleagues had dragged South Africa off its solitary ant-heap into the intrigue and fraud of European politics. The question was whether South Africa was on the path of honour. The Allies had refused to recognise the Russian Government because they realised it would have been a powerful ally of Germany if admitted to the Peace Conference.

Dealing with the reply given by Mr. Lloyd George to the Nationalist deputation, Mr. Lloyd George had said that in 1908 the Free State had had the right to become free again. Instead of doing so, however, it had entered the Union. General Hertzog declared that the objection of other nations to the Dominions being members of the League of Nations was on the ground they were not free. He challenged General Smuts to say South Africa was free to get away from Britain if it so desired, and asked him to play his cards openly for only then would the suspicion disappear. He was convinced that South Africa's freedom as it existed before 1914 was done with; but the people would not rest until all the rights which stood to be sacrificed to-day had been restored.

More Particulars about the New Status.

Replying on the debate:

The Prime Minister pointed out he was not asking the House to approve but ratify the Treaty. The charge of *mala fide* against President Wilson—the one man who had done most to bring about the peace of the world—was totally unfounded. His fourteen points had been debated

for many days in Paris. The Union Parliament stood on exactly the same footing as the British House of Commons, which had no legislative power over the Union. Whatever laws had to be passed for the Union must be passed by the Union Parliament. The doctrine that the British Parliament was the sovereign legislative power no longer held good. Without their consent it could not pass any law binding South Africa without a revolution. In future, the Dominions would as regards foreign affairs deal through their own representatives; hence all parts of the Empire would be consulted in matters of peace and war.

The Evils of Secession.

He deplored the attitude of distrust evinced by Nationalist members; it was due to an absolute obsession as to complete secession. Secession was an evil thing: terrible loss of life had been sacrificed upon its altar in America. For South Africa only two courses were open—mutual co-operation, and the course of blood and tears traversed in the past which, if renewed, must lead to a broken, discredited South Africa with the native population outnumbering the whites.

“Let us not mope over the past,” he concluded. “To-day we have every opportunity to build up our nation; and I am standing here to-day to make the strongest, the most urgent appeal to this House and the country to live in the present and the future. Let us get off our ant-heap of grief over the past and let us concentrate on the great things which the future holds for us.”

The motion which was seconded by the Unionist Leader (Sir Thos. Smartt) was carried by 84 votes to 19. The minority consisted exclusively of Nationalists. Labour members did not participate in the debate.

DEBATE IN THE SENATE.

The Minister of Mines and Education (Hon. F. S. Malan) introduced the ratification resolution in the Senate, on 10th September. He briefly outlined the principal points of the Treaty and said the occasion itself afforded the clearest proof of the very important improvement which had taken place in the status of the Union. He thought no one would agree with every word of the Treaty; it might have been better co-ordinated, more coherent. But there was the safeguard of the League of Nations whereby any faults which might appear would be automatically rectified as time went on. He believed the League would make for peaceful relations and pointed out that the Imperial Conference had certainly not

made for war between the Dominions of the Empire. Certainly the different nations had been brought more closely together. He felt confident the Labour Convention would tend to improve the conditions of the people, and to soften national prejudices.

English and Dutch.

Senator the Hon. A. D. W. Wolmarans said he favoured co-operation between English and Dutch, provided the former stopped their pinpricks and recognised the Dutch as their equals. Forgiveness should not be all on their side—they had suffered so much at the hands of the English in the past.

If the Kaiser was to be brought to trial, why not Lord Milner for having caused such havoc in South Africa ?

The peace was an unrighteous one and neither President Wilson, nor Mr. Lloyd George had fulfilled their promises to redress wrongs. He considered South Africa's status had been lowered because whereas before they had to deal only with the King of England now there was the League of Nations as well. He gave the League a short life.

Senator the Hon. C. G. Marais said he could not, as a Christian, give his approval to the Treaty. Before the ink of his signature was dry General Smuts had condemned the document. He, too, held the status of the Union had been lowered, and pointed out that of the twenty-seven states signing the Treaty, eighteen were Republics. That showed the tendency of to-day, and was a signpost to the Union.

Plea for German Missionaries.

Senator the Hon. Sir John Fraser condemned the indignation of Senator Marais. He was proud the Union was a Dominion in the Commonwealth of Nations, and said if Great Britain had lost the war, South Africa would have been annexed to Germany. German missionaries in the Union, however, should not be interfered with ; he feared that a Board of Control might stop these men doing God's work. Perhaps attention could be drawn to the matter before the Treaty was finally enacted. Senator Wolmarans had spoken about forgiveness and confessing one's faults. Had they heard anything about that from those who had broken their oaths and gone into rebellion against their own Government ?

The Necessity of Punishment.

Senator Brig.-Gen. the Hon. J. J. Byron expressed a desire to hear those who opposed the Treaty indicate the general

principles they objected to. There was the principle of preventing war. None could oppose that. Another was reparation—a principle to ensure that the way of the transgressor should be hard. All punishment was terrible in itself, but all experience showed it was necessary. Those who thought punishment out of place might visit the battlefields of France and Belgium, which, although given the opportunity, a recent delegation* had not done.

The Violation of Treaties—A Warning.

The Treaty was a lesson to South Africans: the war had been caused by the violation of the Treaty of 1839 and in South Africa there were some who seemed to desire to violate a treaty not ten years old. He rejoiced that South Africa had attained manhood status, guaranteed by the signature of the whole world. They had reached a position unimagined 20 or even 10 years ago. He hoped, however, that their new status would give everyone, irrespective of party, a sense of increased responsibility. The example of the British League of Nations had encouraged them to have a general league, of which they could be members. Their British league had led, not to fetters, but to freedom.

Senator the Hon. P. J. Weeber supported the resolution and declared that while a Senator might not like to give his son a licking, circumstances sometimes arose when a parent had to inflict chastisement. As all sections but the Nationalists were supporting the Treaty, he thought that party must be feeling out of it—something like a lot of poultry that had been out in the rain.

The Resolution Ratified.

Replying on the debate :

The Minister of Mines and Education (Hon. F. S. Malan) reverted to the question of racial conciliation and declared that running to England and asking that the Union should be broken up was unfaithful to the Union Parliament because they had responsible government. The case would have been different if the Union did not have self-government.

The motion concurring in the resolution passed by the Assembly was agreed to by 30 votes to 5.

* Apparently a reference to the Nationalist Deputation to Mr. Lloyd George to advocate secession. General Byron himself visited the battlefields under the auspices of the Empire Parliamentary Association.

TREATY OF PEACE AND SOUTH-WEST AFRICA MANDATE ACT.

This Act formally gives legislative effect to the Peace Treaty, in so far as it concerns South Africa; and makes provision for the carrying into effect of any mandate issued to the Union in respect of South-West African territory lately under the sovereignty of Germany.

The Act provides that the Governor-General may make such appointments, establish such offices, issue such proclamations and regulations and do such things as he considers necessary to give effect to the Treaty of Peace and the mandate for South-West Africa, notwithstanding any provision to the contrary in any law. The Governor-General may, (subject to amendment A, see below), make new laws applicable to the territory and repeal or alter any law in force; furthermore he may delegate his authority in this behalf to such officer who may be designated to act under his instructions.

Any proclamation or regulation may provide for the imposition of penalties and shall be laid before Parliament.

Amendments.

During the passage of the Bill through the House of Assembly two new clauses were added.

(A) The Governor-General was empowered to apply to South-West Africa the provisions of the Land Settlement Acts of 1912 and 1917 and the Crown Land Disposal Ordinances (Transvaal) of 1903 and 1906.

Excepting for the provisions of these laws, it was enacted that no grant of any title, right or interest in State land or minerals or over the territorial waters of South-West Africa and no trading or other concessions could be granted without the authority of Parliament. Moreover, land set apart as Native Reserves could not be alienated without Parliamentary sanction.

(B) The second new clause provided that the Act should automatically lapse on 1st July, 1920, unless extended by resolution of both Houses of Parliament.*

DEBATE IN HOUSE OF ASSEMBLY.

An Important Ruling.

When the Prime Minister (General Smuts) asked leave to introduce the Mandatory Bill in the House of Assembly on 8th September, Mr. T. Roos (Nat., *Lichtenburg, Trans.*) opposed the motion and asked for a ruling on the question of the competency of the Union Parliament to legislate for territory beyond the boundaries laid down in the Act of Union. Nationalists, he said, were confident the Union had no such right unless some change, either tacit or expressed, had occurred in the Constitution. Last session his party had been reviled for desiring to change it. Anyhow, they welcomed the idea of a change,

* See also page 214.

and the Nationalist Party now gave fair warning that they were going to build upon that change in the future.

The Prime Minister said the Union Parliament had repeatedly passed Acts affecting the Union beyond its borders, and would continue to do so. He pointed out that the King had signed the Treaty through his responsible Ministers; and that document so signed laid down that South-West Africa should be administered by the Union as an integral portion of its own territory. The whole matter had been handled on a constitutional basis and in entire accord with the Act of Union.

Mr. Speaker ruled that in view of the special circumstances the Union Parliament was the only competent authority to legislate for South-West Africa. He pointed out that Germany had renounced all her rights thereto; that those rights, within specified limits, had been conferred upon the Union; that His Majesty the King had approved of these provisions and that beyond doubt His Majesty alone was the competent authority to ratify on behalf of the various British Dominions. He quoted the precedents of the Cape Colony legislating for Kaffraria and other territories beyond its borders, and said that the circumstances appertaining to the proposed mandated territory were analogous. In the event of the Union declining the mandate it could be argued there would be the risk of a new foreign control on its borders, and that this, in the light of recent history, would constitute a neglect to carry out the spirit, if not the letter, of the South Africa Act, where the obligation was imposed upon that Parliament to pass laws "for the peace, order and good government of the Union."

The Second Reading—Gen. Smuts's Motion.

The Prime Minister (Lieut.-General The Right Hon. J. C. Smuts), moving the second reading of the Bill on 10th September, said that by South Africa's constitutional position the Treaty did not by itself become part of the law of the land by being ratified. If any provisions of that Treaty had to be carried out which under other circumstances would require legislative powers, it still remained necessary for the Government to fortify itself with such legislative powers. In respect of this part of the Treaty, all that the Government had done was to follow almost identically the terms of the Bill passed by the British Parliament. He described the mandatory system as a novelty in international law. It was devised to prevent a scramble for territory on a colossal and calamitous scale. Henceforward, territories dealt with on the mandatory system, would, instead of being appropriated for the benefit of any particular country, become an asset of the League of

Nations ; they would remain open to all countries and could not be used for the military or commercial aggrandisement of any particular country.

The Type of Mandate.

There were three types of mandatory states. South-West Africa came under the "C" pact. This section comprised territories which became for administrative purposes part and parcel of the territory of the mandatory state, and should be administered by the simple application of the laws of the mandatory applicable to this type of State. It also provided that the Commission constituted by the League of Nations should be permanent and should study the report of mandatories and examine the work of the discharge of their trusts. After this had been done, the Supreme Council proceeded to deal with the German Colonies, and by resolution the Council allotted the mandate for South-West Africa to the Union, subject to certain safeguards for the natives. A Commission was appointed by the Supreme Council to define the various types of mandates ; its report had been presented but not yet acted upon. Hence, the actual mandate had not been approved by the Supreme Council, so they were not in a position to say "this is our mandate." That was why the Bill was drafted in its present form. The mandate might be given to them at any time after peace was signed ; meanwhile, however, powers were necessary to administer the territory because martial law would cease immediately peace came into existence.

Interim Powers.

The Union would therefore be without any status whatever after Peace to deal with the situation in South-West Africa, and the Government wanted to take power in advance to enable them to carry on during that period before they could come to Parliament.

One of the first things to be done would be to appoint a judge and set the civil courts going ; officials must be appointed and all the ordinary necessary administration of the country would have to be started under the peace régime. The old cases in that country would be heard under the existing German law, but it would be necessary, when those cases had been disposed of, to assimilate the law of South-West Africa to the law of the rest of the Union under Section 22. For that the Government wanted the provisional interim powers which the Bill asked for. When they had the mandate and had surveyed the whole situation the Government would lay before Parliament a well-thought-out scheme for ratification. It had been pointed out that the Bill did

not indicate the time-limit when the provisional powers should cease, consequently he was prepared to accept an amendment limiting the time in respect of which these powers might be carried out.

Unionist Point of View.

The Hon. Sir Thomas Smartt (Unionist ; Leader of the Opposition), said the country was under a deep debt of gratitude to the Prime Minister for his great services rendered during the past five years. He associated himself with the Premier's appeal to put away racial animosity and bitterness, but admitted that a great deal of criticism could be launched against both the Peace Treaty and the Covenant of the League of Nations. Critics, however, should remember the tremendous responsibilities and difficulties with which the Conference was faced, and not forget that the Treaty was of a dynamic character, subject to change, which would entirely depend upon the spirit wherein the German people recognised the awful position of the world. The Treaty was severe but just. Without retribution for the terrible havoc and devastation brought upon the world by the vaulting ambition of Germany there was no possibility of bringing home to the German people and to the world at large the responsibility which lay with actions of that character, and the responsibility which should lie with people who would attempt a similar course in the future. The statesmen who formulated the treaty would have failed in their duty if they had not given an example to the world of what the just punishments were to be of people who tried to trample upon the rights of others. He said he could thoroughly understand the feelings of hon. Members who now denounced the Treaty, especially in view of their feelings in March, 1918, when the Central Powers launched their great attack. The Nationalists had always expected that Germany, if not victorious, would anyhow achieve a stalemate. Those members had no right to speak of the Treaty as disgracing civilisation. If the Central Powers had been successful, what sort of terms would South Africa, the Allied Powers and America have got ? There had been talk of hypocrisy and private pillage of the Saar Basin ; yet during the whole of the tremendous times of the past five years not once had a spokesman of the Nationalist Party denounced, as they had denounced the Treaty, the cruelty and barbarity of the Central Powers.

Necessity of Reparation.

Never had there been any condemnation of the sinking of the Lusitania, nor when Nurse Cavell was brutally done to death, nor when Capt. Fryatt was shot, nor when Belgium

was trampled under foot. Was there no such thing as just reparation, he asked. The Saar Basin was given to France as some small reparation for wanton devastation. A Professor of Mining at the University of California had reported to President Wilson that in the last few months of the war, when Germany recognised success was impossible, she deliberately blew up the shafts of the mines in the Saar Basin, so as to make it absolutely impossible for them to be worked for from five to fifteen years. Indeed, in the interests of civilisation, never had a wiser thing been done than in bringing these people to justice. If the Allies were going to try the meanest individual for breaking international law, then the same justice must be meted out to the highest, whether he wore a crown or not.

League's Prospect of Success.

The Covenant of the League of Nations was not perfect, but it was the first step to try and prevent future wars. If there was anything in the Nationalist leader's (General Hertzog's) prophecy of another great war in fifteen years' time, it bore out absolutely the necessity for disarming Germany. If the three great democratic powers—United States, British Empire and France—sincerely desired the prevention of wars then there was a great possibility of the League becoming a success.

He endorsed what the Prime Minister said about the new status of the Dominions. As regards the Mandatory Bill, he disliked its present form and suggested that safeguards, in respect of the very wide powers asked for, should be included.

"An Impertinent Request."

General the Hon. J. B. M. Hertzog (Leader of the Nationalist Party) expressed surprise that the House had not first of all been asked to accept or refuse the Mandate. He could not approve of a mandate of whose contents nothing was known. It was a most impertinent request to ask for approval under such circumstances; only the present Prime Minister would put forward a request like that. It was that Minister who had always been so quick to proclaim martial law. The money already spent on "German West," though considerable, was nothing compared to the amounts which would have to be disbursed. And what would South Africa get for it? The people of "German West" had been innocently dragged into the war. He would not object to South Africa taking up the guardianship provided it was a work of charity—that everything was done to meet the people there. But if the people concerned did not want the guardianship the Union would become oppressors. He regretted that those involved had not been consulted.

South Africa's Freedom Proved.

As regards the status of South Africa, General Hertzog said he had Mr. Lloyd George's written assurance that South Africa had the fullest right to work out its own destiny. That proved her freedom; it was not, however, obtained by the war but had been secured in 1909.* When he said that last year, the Minister for Railways (Mr. Burton) declared he should be in prison. He would not, however, object to the mandate, because he was convinced South Africa had the right to be free, although the wishes of "German West" should have first been ascertained.

Mr. Tielman Roos (Nationalist, *Lichtenburg, Trans.*) dwelt upon the question of South Africa's freedom, and pointed out that the Prime Minister (General Smuts) was apparently not so opposed to a revolution, in the event of the British Houses of Parliament passing laws relating to South Africa, as he was opposed to the late rebellion. He objected to giving the Government a blank cheque in the terms of the Mandatory Bill.

Terms of Mandate: Secret Diplomacy.

The Right Hon. John X. Merriman (South African Party, *Stellenbosch, Cape*) observed that a very fair answer to the criticism that the terms of the mandate were not known was the Prime Minister's answer to an interjection of his own, namely, that Section 22 of the Treaty provided that the terms of their mandate stipulated for the territory handed over being governed in accordance with the laws of the people who took the mandate. He considered the object of their particular form of mandate was to hand over South-West Africa as an integral part of the Union. He thought one of the vital war aims was no more secret diplomacy. Yet secret diplomacy was written across every page of the Peace Treaty.

Equality of South Africa and India.

In the list of those equal with South Africa in the League of Nations they found India, and if by any chance Indians felt they had grievances they would unquestionably be brought up in the Council of the League which would have to consider the matter. He deprecated hatred of the Germans—reparation to Belgium was all he asked for. They must try to build up Germany and Central Europe into strong, friendly and efficient Powers; war after war would follow if they attempted to exact too crushing terms. They had discovered that the commerce of Germany was as valuable to them as to Germany. He feared the Treaty might be sowing the dragon's teeth. The document, however, was not a final one, and when Europe came back to its senses it would be made more

* This is the date of the Act constituting the Union of South Africa.

liberal. He condemned the proposed trial of the late Emperor of Germany as an unheard-of provision in any Treaty. Such a procedure could become a double-edged sword. He asked who would provide the force behind the League of Nations, in the event of a wrongdoer remaining indifferent to admonition?

Laws for German South-West.

Turning to the Mandatory Bill, Mr. Merriman suggested that until the Union laws were applied to South-West Africa it would be wise to adopt the German Civil Code, and when such laws were repugnant the Governor-General should issue a proclamation. Parliament should see that it alone could give away land, mining rights and concessions. The Bill made no provision in regard to native reserves. Certain non-Europeans had rights. Of course these rights would be recognised, but protection should have been embodied in the Bill. It was forgotten, too, that there was a large white population in the territory composed mainly of hard-working traders who were good settlers. They also should be protected.

East Africa's Mandate.

Reverting to Section 22 of the Covenant, Mr. Merriman declared they had already seen one of the blackest deeds in the history of Great Britain when she accepted—Heaven knew who from—a mandate for the British people to govern East Africa. “But before the ink was dry on the letter,” commented the Right Hon. Member, “conferring that mandate, the territory with its three million native inhabitants, was handed over to Belgium, whose record in connection with the natives in that part of Africa forms one of the blackest pages in the history of the white man's dealings with the natives.” He supposed later on the territory would again be handed on to some concessionaire. That was one of the first fruits of the mandatory system. Let them, he urged, make the second experiment in mandates a credit to South Africa and the British race, and let it be the means of bringing civilisation into one of the dark places of the earth. Let them, therefore, make the Bill a credit to the House; it certainly would not be if passed in its present state.

“The Treaty is Just.”

Sir Edgar Walton (Unionist, *Port Elizabeth, Cape*) dissociated himself from the views of Mr. Merriman. Taking the broad line, which they must do, the Treaty was just, he said. They must remember what had been done by the German nation. The total cost of the war to the Allies was forty

thousand million pounds. Germany could not pay the bill, but it was right she should be told she must make good as far as possible. Germany would have to pay only one-eighth of the war bill. Taxation in Britain had been raised so high it could go no further. The Covenant of the League of Nations clearly indicated the power that would enforce its decisions. If the Union refused the mandate, who was going to take it? If the Prime Minister refused to administer South-West Africa the Nationalists would be the first people to attack him on that score.

Finance and South-West Africa.

Mr. J. W. Jagger (*Unionist, Capetown*) thought Mr. Merriman had been unfair in his references to Belgium, and also as regards the evidence of secret diplomacy in the Treaty. He associated himself, however, with that speaker in respect to the safeguarding of concessions. It should be provided that the Act would lapse on 1st July, 1920, unless Parliament by resolution of both houses decided otherwise; moreover, proclamations should be placed on the Table of the House in the next ensuing session. They should also be given information as to finance. Last session they had estimates of expenditure for this territory amounting to £697,000. The revenue was £344,000. In the past those deficits had gone to loan account. That system should cease. Then again, there were some 1,284 miles of Government-owned railways in South-West Africa. If they were going to be run as a separate concern, who would bear the deficit—the Territory or the taxpayers of the Union? If these safeguards were inserted in the Bill, he thought the interests of the Union and the Territory would be perfectly safe.

Protection for Coloured Races.

Mr. M. Alexander (*Unionist, Capetown*) spoke on behalf of the Jewish community and the coloured races. The former were particularly grateful to the very honourable and worthy labours of the Prime Minister in regard to Palestine and Poland. He hoped that the Roman-Dutch law would be extended to South-West Africa, and said that the coloured races of the Union were extremely anxious that the colour-bar policy of certain parts of the Union should not be extended to the mandated territory, and that the population there would be administered irrespective of race, colour or creed.

Labour Leader's Views.

Lt.-Col. F. H. P. Creswell (*Leader of the Labour Party*), condemned the argument that the Union had no power to administer South-West Africa. Whatever might happen,

it would not go back to Germany, and manifestly it was the destiny of the Union to be the governing power. He supported the plea for inclusion in the Bill of safeguards for Crown lands, mineral rights and concessions. They must contemplate the ultimate incorporation of the territory as a province of the Union. What would happen then? Would the mandatory system end? Suppose the people of South-West Africa desired to become an integral part of the Union, was the League of Nations bound to consent? He thought that the principal issue of the war was whether government by consent of the people governed with the least possible authority—the characteristic system of the British Commonwealth—was to be the one type of authority for the future. The strength which the British Commonwealth showed in the war was entirely based on the growth of the free nationalities of the Empire. The League of Nations would make for the greater strength and cohesion of the Empire.

He believed that many millions of people in Allied countries were profoundly disappointed at the terms of the Treaty. They had really looked for something that would heal the wounds caused by the war. The League of Nations could not become real until late enemy countries became members of it. He cordially reciprocated the Prime Minister's impassioned appeals for a new unity in South Africa.

A Statement of Nationalist Policy.

Mr. Beyers (*Nationalist, Edenburg, Trans.*) dealing with South Africa's right of secession, declared that as far as the Free State and the Transvaal were concerned the question of independent secession of those provinces had been settled, and as a question of practical politics it would not be re-opened. Morally, however, it was still Britain's duty to repair the wrongs of 1899–1902. That was the policy of the Nationalist Party, but they would continue to work for the right of self-determination.

Secession Talk and Disruption.

Mr. F. J. W. Van der Riet (*South African Party, Albany Cape*), declared that if the new status attained by the Dominions was considered satisfactory by Australia, New Zealand and Canada, they had no great cause to consider it unsatisfactory. He deplored the discussions about secession because they led to a lamentable disruption of the country. General Hertzog had publicly said that secession on the part of the Union from the British Crown would be only feasible with the full and free consent of both sections of the population. Did General Hertzog adhere to that position? He described the Peace Treaty as largely one of compromise and considered the Mandatory Bill

contained adequate safeguards because everything done in the territory was subject to the consideration of the League of Nations.

Russian Expedition Denounced.

Mr. W. B. Madeley (*Labour, Benoni, Trans.*) said the Bill was rendering the Prime Minister and his friends virtually a "conspiracy of autocracy." Funny things had been happening in South-West Africa, including the diamond dredging concession. He denounced Britain's participation in Russia, and said that British troops were being employed to prevent an experiment in the direction of Socialism proving a success, adding that if these troops were not withdrawn there would be a revolution in England. Moreover, under the capitalist system hon. Members were gaily going on in the direction of fostering revolution in South Africa.

Labour Council Criticised.

Mr. T. Boydell (*Labour, Greyville, Natal*), referring to the International Labour Conference, said that as the representation of Labour would be in a minority of three to one, except for a country where Labour happened to rule, he did not see how it could be described as a Labour Council. He believed the working class would find, after the first meeting of the Conference, that the dice had been loaded against them. There was an idea among the working classes that the League of Nations would be used as a machine to uphold the present capitalistic system. The Prime Minister's appeal was for racial unity; but there was no appeal for sympathy and consideration in dealing with the social and economic welfare of the people.

Reply to the Debate.

The Prime Minister replied to the debate on 12th September, and remarked he had thought every section would have welcomed the giving of the mandate to South Africa. It was not a question of annexation but of what was best in the interests of both South-West Africa and the Union; and there was no doubt it was to the interest of both that the Union should be the mandatory Power. That was the general consensus of opinion. Objections had been raised because the mandate was not produced, but it was practically circumscribed in Clause 22 of the Peace Treaty. Moreover, if the mandate in any material way went further than or deviated from Clause 22 the Government would reserve its acceptance till Parliament had been consulted. As regards consulting the population of the territory, he asked who were that population—the Germans or the natives? He considered

the Germans would be more prepared to place themselves under the Union than under any other administration. They knew that under the Union they would be administered justly and sympathetically. If the choice were left to the natives of South-West Africa he felt there was a likelihood they would choose the Imperial Government, but he believed that it would be to the interest even of the native population that the mandate should go to the Union. He repudiated the charge of autocratic legislation. The Bill was based on a law passed by the House of Commons. In addition there was other similar legislation in existence even at the present moment. Besides, he had expressed his preparedness to put a time limit on the duration of the measure.

Unfair remarks had been made regarding the administration of the territory. There was no fairer or more just man than the present Administrator of the territory.

Treatment of Missionaries and Natives.

A great deal, continued General Smuts, had been said about the repatriation of German ministers and missionaries. There had been 39, and only four of them were sent away. He had inquired into two of the cases and would himself have sent both away if he had been in charge of the territory. Furthermore, if the House considered an injustice had been done he would assent to a Commission of Inquiry.

He assured the House that nothing would be done in any way to interfere with the Rehoboth bastards or make their position worse. Everything would be done to treat the natives fairly. Cape coloured people going there would be in no worse position than they were in the Union. He was in favour of the extension of the Roman-Dutch law to the Territory.

Financial Position Secure.

Under the Treaty all public assets which had belonged to the German Government would be handed over to the Union Government, but all administrative costs would be a charge against the Union. The war-time deficits need not continue. In the past the whole financial system of the country had been based on revenue derived from the diamond mines. During the war diamond mining had been restricted: that would all change. It would not be necessary to maintain large military forces, because he believed the intentions of the people were quite peaceful. A satisfactory surplus was therefore anticipated which would be used for the development of the territory. South Africa must fairly and justly

administer the territory, and, more than that, they should treat it as part of their own country so that it could properly and quickly develop.

Land Settlement Scheme Foreshadowed.

In addition to its mineral resources the country offered great potentialities and could accommodate a large population. The peaceful German settlers would not be interfered with, and he hoped they would become as great an asset as the German settlers in South Africa. It would be necessary to open up the territory for land settlement, and put in water bores, etc., so that a large flourishing population could develop there.

Mineral concessions would not be granted. In the past, however, large land and mineral concessions had been granted, and careful inquiry should be made to ascertain whether such concessions were legal, and the Government should have power to take steps if they were illegal.

Asiatic Trading Inquiry.

In regard to the statement that a highly placed Indian Officer was expected in South Africa to take part in the inquiry into Asiatic trading, he would remind the House that last Session the Government had promised a commission of inquiry. The Indian Government had asked permission to send someone to give evidence on its behalf. To that the Union agreed, and Sir Benjamin Robertson, who had previously given evidence, would come to South Africa for that purpose; but he would not be a member of the Commission.

Can South Africa Secede?

Turning to the important statement of Mr. Beyers, who spoke on behalf of the Nationalist Party, in declaring the Party would no longer insist on separate independence for the Transvaal and Free State, but would work for the secession of the whole Union, General Smuts said as Mr. Beyers was not usually regarded as the leader of the Nationalists, he would ask General Hertzog whether that statement was correct. If so, was it the decided policy of the party to work for the secession of the Union from the Empire?

General Hertzog replied that his Party Congress had not decided on the matter.

Continuing, **General Smuts** remarked that that statement put Mr. Beyers in an awkward position. The people wished to know where they stood. One leader said one thing and another said, "No, we want to see first how the cat will jump." The question went far deeper than party.

The Prime Minister's "No."

He pointed out that, in catechising fashion, a number of questions had been put to him. The first was: "Has South Africa the right to secede from the Empire?"

General Hertzog (interrupting): "Yes or No?"

General Smuts: "It is my duty to reply to that, and my answer is absolutely and decisively, 'No.'"

According to the written constitution (Clause 19), he continued, the legislative power of the Union consisted of a Parliament of the Union, composed of the King, the Assembly and the Senate. It was impossible and unconstitutional for either of these parts to secede from the other. The Assembly could not secede from the King.

General Hertzog: "Can it renounce the King?"

General Smuts: "No. This is not a question of status; it is a question of Constitution. In terms of the constitution the King cannot give up the Assembly, not even at the request of the people."

The second question, whether the right of veto still existed and whether the King could veto a law for the secession of the Union from the Empire, there was, he said, no doubt. On an ordinary law there was no such thing in reality as veto. But as regards secession it was not only the King's right, but, according to the Constitution, it was his duty to keep himself in force and connected with the Union. Where ordinary laws were concerned, the right of veto was of course obsolete. Every legal authority would agree with him on those points.

General Hertzog: "On the second point you are right, but on the first you are wrong."

General Smuts: "If I am right on the second point, then you must agree that it is the duty of the King to veto any law under which the Union would secede from the Empire."

Any change in their form of government, he declared, must be in the nature of a revolution. Clause 19 (of the Constitution) clearly indicated that neither the Assembly, nor the Senate, nor the King, could abolish either of themselves. He quoted the reply of Mr. Lloyd George to the Nationalist Deputation in which the British Premier said: "The South African people, as one of the Dominions, control their national destiny in the fullest sense." Hence it was perfectly clear, General Smuts added, that any change of the form of government was unconstitutional.

Now he would ask General Hertzog a question: Supposing the Nationalists got a majority in Parliament and decided to secede from the Empire, would they force the minority?

General Hertzog: "We shall see then."

After outlining further statements of Nationalists which General Smuts held to be inconsistent, he said the whole business appeared to be a great farce. Apparently, the Nationalist deputation acquiesced immediately on being told their request was impossible. "We now want to know where we stand," he concluded. "Is this merely a farce being executed for the sake of gaining votes?"

On the conclusion of the Prime Minister's reply, Rev. L. P. Vorster's amendment, proposing a Commission of Inquiry to ascertain, *inter alia*, the views of the people in the Union and South-West Africa as to whether the Union should accept the mandate was defeated by 70 votes to 23. The minority was solely composed of Nationalists. Accordingly, the motion for the second reading was adopted.

Bill in Committee.

The House in Committee agreed to two new clauses in this Bill.

Clause 4 (new) was inserted to ensure that no grant of any title, right or interest in State land or minerals in South-West Africa or as regards the territorial waters should be made, and no trading or other concessions should be granted without Parliamentary authority—providing, however, that certain land settlement acts in force in the Union could nevertheless be applied to the territory. This clause, moreover, provided that land set apart as Native Reserves could not be alienated except under Parliamentary authority.

Clause 5 (new) provides that the Act remains in force until July 1st, 1920, but may be extended by resolution of both Houses of Parliament.

The Minister of Justice (Hon. N. J. de Wet) said it was proposed to bring the administration of South-West Africa more and more into line with that of the Union. The same intention applied to the Customs. The policy of the Government would be to interfere with the German missionaries as little as possible.

Referring to enemy property he said the Government did not propose to adopt the system outlined in Article 296 of the Peace Treaty, as it was thought the interests of their own nationals could be sufficiently protected under Article 297. It was proposed to return to German nationals domiciled in South Africa at the outbreak of the war their property as soon as possible, making any necessary deduction for the cost of administration. It was estimated that the claims of Allied and Associated nationals against enemy nationals would amount to £1,000,000. These claims would be paid out when duly certified from a fund of £11,000,000 now at the disposal of the Custodian of Enemy Property. The disposal of the balance of £10,000,000—whether it was to be returned to the

owners or paid into the Reparation Fund—would depend upon the decision of Parliament. Anyhow, the Government would not deal with this balance until full information had been obtained. The case of German subjects not domiciled or resident in South Africa would have to be considered by Parliament when they came to decide the question of disposal.

Lt.-Col. F. H. P. Creswell (Leader of the Labour Party) described the Labour clauses of the Treaty as camouflage. He urged that the Government should not reduce diamond taxation in South-West Africa without Parliament being first consulted.

Mr. J. W. Jagger (Unionist, Cape Town) hoped that the system of diamond taxation would not be altered as it was fairer than the Union system. In 1913 South-West Africa produced 1,470,000 carats valued at over £3,000,000. Latterly the output fell to 33,000 carats per month, but the mines could turn out 75,000 carats a month.

He was opposed to the present system of valuing these diamonds in London because that valuation was always below the local valuation. The valuation should be made in South Africa. It was monstrous that the valuation should be made by the buyers. He advocated a continuation of the system under which wealthy producers paid more than under the Union system. With the exception of South-West African diamonds all the diamonds in South Africa were controlled by one group. He thought it was time the Government exercised its right to appoint some representative on the board of that company.

Mr. Madeley (Labour, Benoni, Trans.) expressed the hope that all the new and undiscovered mineral products in the new territory would be declared to be the property of the State.

The Minister of Mines and Education (Hon. F. S. Malan) announced that a committee would be appointed to inquire into existing concessions. A very large part of the country was owned by concessionaires. Moreover, in apportioning land it was the Government's intention to reserve all mineral rights to the Crown.

A conference of South-West African producers had been discussing two questions—the amount of production, and secondly, disposal. As a result the Government had decided not to permit the reconstitution of the old company, and that the diamonds must be handed over to the Government for disposal. Furthermore, an Advisory Board would be established consisting of five members of the producers and three Government nominees for the purpose of advising the Government on all questions relating to South-West African diamonds.

As regards the valuation and delivery of diamonds in the Union, provision would certainly be made for this to be done

when the new agreement was entered into. Under the existing arrangement the Syndicate deducted 10 per cent. without the Government taking any risk. Any further profit was divided equally between the seller and producer. That was a war measure. The Government would now be able to make a much more favourable agreement.

Mr. Patrick Duncan (*Unionist, Fordsburg, Trans.*) said the interests of the Premier Company and the Government were identical, but certain persons who controlled the Premier Company also controlled the Diamond Buying Syndicate. What guarantee, therefore, had the House got that the case of the producers in South-West would not be exactly the same, and that they would find no diversity of interest between the producer and the buyer?

The Constitutional Question Revived.

The Minister of Justice, in reply to General Hertzog's argument that South Africa could not be free unless she had the constitutional right to secede from the Empire, said General Hertzog's idea of freedom was at fault because he thought freedom was only possible under a Republican form of government. The admission that England could do certain things was not a confession that she had the right so to do. He (the speaker) could run away with his neighbour's wife, but whether he had the right to do it was another matter. South Africa might be able to secede and declare itself an independent republic. That would mean a revolutionary action. Parliament, perhaps, might decide to-morrow that it would become a republic; next year it might decide to become a kingdom, and the year after it might decide on a triumvirate, and so the farce might go on.

Alienation of Lands.

Lt.-Col. F. H. P. Creswell (*Leader of the Labour Party*) moved to insert a new clause in the Bill with a view to preventing the Government, without the sanction of Parliament, making any concessions in South-West Africa in respect of any lands, or minerals, or trading. The amendment, he explained, was designed to limit the power of the Government during the interregnum, in the alienation of Crown Lands and rights generally, because it was intended, until Parliament had time to legislate for South-West, the existing state of things should continue. Col. Creswell indicated he would agree to the addition of the following words: "Except in accordance with the provisions of the Land Settlement Act or any other Act applying within the Union."

The Minister of Lands (Col. the Hon. H. Mentz) said he would never have dreamt of selling large tracts of land to limited liability companies. He proposed an amendment authorising the application of certain Land Settlement Acts in force in the Union and enabling individual title to be given to such members of native tribes and coloured persons as might be entitled thereto. He said there were about 1,000 farms in the Protectorate now ready for allotment.

The Hon. Sir Thomas Smartt (Unionist; Leader of the Opposition) said that before parcelling out any land the House should know the boundaries of the territories that were reserved for natives. There was a very large tract of land in the Union still available for land settlement, and there was no immediate need to authorise the Government to give out 1,000 farms in South-West Africa. Also, a large tract of land in that territory might be occupied by Europeans without any injustice being done to the natives.

The Minister of Mines and Education (Hon. F. S. Malan) said the native population of South-West Africa was as follows: Hereros and Demaras, 90,000; Ovambos, 90,000; Hottentots, 6,000; Rehoboth Bastards, 9,000. When South Africa took possession of the country the Warmbad Reserve of about 100,000 morgen was very largely occupied by Hottentots. In the Keetmanshoop District was the Bethany Reserve of about 5,000 morgen, while the whole of Ovamboland was a Reserve. Since occupation, the administration had arranged for a reserve of 40,000 morgen in the Omaruru District, and another of about 50,000 morgen in the Windhuk District. The German Government had a number of water-drills for providing water on surveyed farms. It was intended to recommence the policy of boring for water so as to enable the country to be settled. For four years they had been "hanging up" men who had helped to conquer the country and who had been waiting for farms. It was therefore inadvisable to tie the hands of the Government altogether. There was no intention to interfere with any of the Reserves.

After further discussion the new clause as moved by the Minister of Lands was adopted.

The Minister of Justice, on behalf of the Prime Minister, moved a new clause providing that the Act should cease to have effect on July 1st, 1920, unless an extension was authorised by both Houses of Parliament.

This was agreed to.

Subsequently, the Minister of Justice stated that apart from certain former German officials still in the territory who had asked for repatriation, and, excepting criminals, the Government did not intend to repatriate any further people. There

was, however, no present law to prevent Germans who had been repatriated from returning, unless they came under the Immigration Act.

Bill Read a Third Time.

On the third reading,

Mr. Merriman (*South African Party, Stellenbosch, Cape*) moved a new clause providing that the Customs duties of the Union should be applicable in South-West Africa.

The Minister of Justice stated that the amendment was unnecessary. The Union Customs laws were already in force in the Protectorate, and would remain in force until altered by the Governor-General.

Mr. Merriman replied that the Bill was trying to degrade that Parliament to the present position of the British Parliament—a Government conducted in the shape of a dictatorship; and one never knew what was going on.

The amendment was negatived, and the Bill as amended was read a third time.

IN THE SENATE.

On the second reading of the Bill in the Senate,

Senator the Hon. I. W. B. de Villiers drew attention to the statement that the Prime Minister did not favour all the different parts of the Peace Treaty.

In reply, the **Minister of Justice** said he thought the Prime Minister favoured all those portions of the Treaty which applied to South Africa. But three-quarters of the provisions applied elsewhere, and he believed it was some of these with which General Smuts did not agree.

The second reading was agreed to, the Committee stage taken at once, and the Bill was reported without amendments.

On the motion for the third reading,

Senator the Hon. J. J. A. Graaff said the Treaty was hypocrisy and a sham. It had failed to redress the grievances of Egypt, Ireland, and the Transvaal. The only way to prevent war was to make the Prime Ministers fight if they could not preserve the peace.

The third reading was agreed to.

NATIONAL UNITY AND THE BRITISH CONNECTION.

On the conclusion of the business of the Special Session in the House of Assembly, the Prime Minister renewed his appeal for a greater spirit of unity among them.

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts) said on 17th September: "It is time to make a new beginning in a greater, wider, more solemn South African spirit." It was deeply felt that the breach in the ranks of the old population should be healed. South Africa could only be saved by whole-hearted co-operation between the old and the new population. Division would be fatal, while union between them would mean a new era in their development at a time when an unparalleled opportunity opened up before South Africa.

By closing up their ranks now as a great White community and by joining all their forces in making it a greater, stronger, more developed and a more prosperous country, they would become worthy of the great honour accorded them by the Imperial Government and the world in recognising South Africa as a young sister-nation among the States of the world.

"Let no man or party stand in the way," he said, "I say woe to the man or the party who stands in the way of this co-operation. Woe to me if I stood in the way."

After the bitter experience they had gone through, after tasting the bitter fruit of their past divisions, and especially after the decisive clearing-up on the great stage of history, it was the imperative duty, which was laid on all of them, to reconsider and revise the whole political situation in South Africa.

Abide by the British Connection.

Continuing, the Prime Minister said he would ask for the recognition of three fundamental principles. Firstly, that they agreed to abide by the British connection, and agreed not to question it any longer. No one knew what the distant future might produce, but for their day and generation they considered it in the interest of South Africa that that issue be not raised in any shape or form. The British League of Nations to which they already belonged and the new world-system to which they would soon belong gave them ample scope as a free nation. When in their day they would be occupied with other gigantic tasks let that be enough for them.

Secondly, he asked that they should accept as fundamental the principle of frank, honest, whole-hearted co-operation between the white races. He, for one, would never again be a party to any policy which tended to racial division. Their policies should, in future, more and more, be based on interests and not on racial distinctions. Their primary object should be to develop a powerful sentiment of distinct South African nationhood, as the bond holding the white people together. That was the bed-rock foundation required to ensure the

future stable development of South Africa as a free nation. He believed there was a deep desire among both Dutch and English to work together for the future of the country; and their politics should give expression to that strong feeling.

The Industrial Task.

Finally, he said, the great task before them was no longer racial, but had become industrial. The war had given them a unique opportunity to push ahead with a forward industrial and development policy. Let them, he appealed, join in the great work of the world. There was no reason why in their generation South Africa should not become a really great and powerful country.

He asked the House and the country to ponder whether, on the basis of those three propositions, it was not possible for all political parties and all reasonable citizens to co-operate in the immediate future. He appealed to them to recreate the great spirit of 1909 which laid the foundation of a united South Africa.

Support of the Appeal.

The Hon. Sir Thomas Smartt (Unionist; Leader of the Opposition), speaking for the English section, said no matter what their differences of opinion might have been they had tried, from the day of Union, to approach questions of public policy absolutely dissociated from the racial issue because they felt that racialism was the one great incubus that had prevented the development of the country's great resources. He pointed out that the Unionist party, especially during the past five years, had had no desire to seek party advantage. They had not asked whether the head of the Government was a Dutchman or an Englishman, but whether he was a loyal subject bound by his obligations. If South Africa was ever going to be a great country, that was the spirit which must actuate them all. All should now recognise that South Africa had acquired a higher status, and that racial issues should never enter into their discussions.

Lt.-Col. F. H. P. Creswell (Leader of the Labour Party) recognised the spirit of the appeal. He liked to feel that the Prime Minister had a tremendous ambition and duty to the country. The Labour Party had consistently looked upon racialism as one of the greatest curses of the country. While they must co-operate it should be recognised that to arrive at the best thing for South Africa they must have an honest conflict of opinion as to what was for the best. He realised the importance of laying the foundation for a better and happier South Africa.

INCREASED COST OF LIVING.

In the House of Assembly Sir Thomas Smartt moved on 16th September:—

That in view of the continued increase in the cost of living, this House is of opinion that the Government should take such steps as may be deemed advisable to control the export of South African food products, as well as the prices of such articles as constitute directly or indirectly the necessaries of life.

DEBATE IN HOUSE OF REPRESENTATIVES.

The Hon. Sir Thomas Smartt (Unionist; Leader of the Opposition) in moving the above motion recalled that a Committee of that House, last Session, after inquiring into the question had concluded that prices were more likely to fall than to rise. Unfortunately, events had not justified it. The situation was largely due to the world shortage of foodstuffs and shipping and to increased freights, aggravated by the extravagant mode of living prevailing through foolish people having more money to spend than they knew what to do with. He realised that by controlling prices some people might cease producing the necessaries of life. But now peace had returned it was the duty of the Government to do something to meet the extraordinary situation.

Accentuating the shipping shortage was the fact that vessels from English and other ports arrived in South African harbours with less than half their cargo space filled. That was due to labour unrest, and had tended largely to increase the cost of living. He did not think that the necessary articles of life would be reduced in price for a considerable time.

Local markets, he urged, should be extended and people should be encouraged to buy direct from the producer in these markets. Municipalities throughout the country should be responsible for a wide extension of local markets. He referred to the statements of Mr. G. H. Roberts in England that the price of foodstuffs was enhanced by speculation before the goods reached South Africa, and quoted Mr. Roberts in saying articles sometimes changed hands five times.

The Government as Profiteers.

In South Africa the Government were great profiteers. The Customs Department, for example, was not satisfied in charging customs dues on the original cost of imported goods, but if the price was enhanced between the time of purchase and being landed in South Africa the Department insisted upon duty being paid on the increased price. By thus

insisting on the last ounce of flesh the Government was increasing the cost of the articles.

He viewed with alarm the extreme rise in the prices of locally grown foodstuffs. The price of maize had risen to an extraordinary extent. Recently it had advanced from 15s. 6d. per bag to 21s., which exceeded the export price. The holding of mealies by speculators or a combination of farmers demanded serious consideration. He did not wish to stop legitimate export, but seeing that surpluses were shipped overseas and protection was given against imported shipments there should be some reasonable price for local consumption. All the South African farmer demanded was a fair price for his produce.

Unfortunately, South Africa did not grow enough wheat for her own consumption. It did not pay to grow wheat, because lucerne and other foodstuffs for cattle were more profitable. In conclusion, he urged, that irrespective of the interests that might be touched the Government must be prepared to assure the public that no unjust charges were being made.

The Labour Amendment.

Mr. T. Boydell (*Labour, Greyville, Natal*) said for five years Parliament had protected, assisted and encouraged the profiteer and the rackrenter. It had allowed the over-exportation of foodstuffs which created a local scarcity and high prices. It had assisted farmers' co-operative societies which, according to the secretary of one of the largest, were keeping up the price of maize. The people of South Africa were in the soulless grip of the merchant, the farmer and the profiteer, who had been making vast fortunes out of the people's sufferings and sacrifices. With one or two exceptions the Unionist Party was equally guilty with the Ministerial Party in not protecting the public from the profiteer. All that Sir Thos. Smartt had said could be found in the Report of the Cost of Living Commission. That Commission had reported and the Government, not knowing what to do, referred it to a Select Committee on which merchants and farmers sat; and they condemned the Commission's recommendations. He pointed out that the statement of the Select Committee had been completely falsified, and moved an amendment to the motion to the effect that the Government should take immediate steps on the lines indicated therein, particular regard being had to the recommendations of the Cost of Living Commission, namely, the fixing of house rents; Government house-building; building loans to municipalities; fixing prices for all necessary commodities and the prohibition of meat export.

The Government's Attitude.

The Minister of Railways and Harbours (Hon. H. Burton) admitted that there was a deep, widespread and dangerous feeling throughout the Union in regard to the increased cost of living. He stated, however, that the sweeping assertions of Mr. Boydell had not been based on facts, which were that, compared with July, 1914, the rise in the cost of living in South Africa was 36 per cent. in respect of food, fuel, light, and rent. Out of thirteen countries which had been at war or neutral, South Africa, as regards the rise in the cost of living, was at the bottom of the list. The increase in Australia was 43 per cent., Canada 86, and New Zealand 42. The increase was a world disease and South Africa had been least affected. He claimed that South Africa was one of the cheapest countries in the world to live in to-day. On the question of house building, the Government had placed £500,000 on the estimates; it was, moreover, at present engaged in building houses for its own employees.

He defended the exportation of surplus foodstuffs on account of the starvation existing in Europe, and said that the Government was prepared to give an undertaking not to allow the export of anything beyond surplus foodstuffs.

Mr. Burton adhered to the finding of the Select Committee which admitted there was profiteering, but said that in the main the profits were accidental in consequence of a rise in the world's market. He pointed out that the introduction of the eight-hour day on the railways would cost the country £750,000 per annum, and an additional £2,700,000 per annum was being spent to comply with other demands. The only way in which the sum of £4,200,000 per annum (by which wages had been increased since 1911-12) could be found was by increasing the railway rates, which increased the cost of living.

He said that all the experience in the world, regarding the fixing of prices and the regulation of profits, proved that that idea was a hopeless failure. When the price of rice was fixed the result was that none came in and the condition of the Indians was worse than it had been before.

The Government proposed to re-establish local committees to investigate specific complaints with regard to the necessities of life, and these committees would bring such facts to the notice of the Cost of Living Commission, which it was proposed to retain as a central body. There would be no objection to the findings being published.

Mr. Patrick Duncan (Unionist, *Fordsburg, Trans.*) was disappointed with Mr. Burton's speech. The Government should certainly have undertaken to fix prices and to prevent exorbitant charges being made. It might, he urged, have done as

had been done in England, namely, purchased sufficient commodities in the outside market in order to control the inside market. Was Mr. Burton, he asked, prepared to say that South Africa should pay for its own maize the price that was dictated by the starving populations of Europe? The Government should say that if the rise in price did not abate it would take control of the maize so as to ensure South Africa's requirements, and their distribution at a fair profit. South Africa should not be subjected to starvation prices simply because starvation prices ruled outside.

Mr. W. B. Madeley (Labour, Pretoria, Trans.) ridiculed the parrot-cry of increased production. In South Africa increased production had not reduced the price of mealies. It was those who controlled the distribution of commodities who could decide the prices. Referring to the shortage of rice mentioned by Mr. Burton, Mr. Madeley pointed out that the Cost of Living Commission recommended that the Government should acquire rice overseas, but that had not been done.

Mr. J. W. Jagger (Unionist, Cape Town) contended that there was certainly nothing like the amount of profiteering in South Africa that people thought, and that it was utterly impossible to fix the price of imported goods. The Government, however, should control prices for those articles of which the country produced enough for its own requirements. The Unionists were just as anxious as the Labour members to see prices reduced. But there were only two remedies: one was to increase production, and the other to get rid of the tremendous amount of paper money which was outstanding the world over.

Lt.-Col. F. H. P. Creswell (Leader of the Labour Party) admitted that the high prices were not entirely due to profiteering and that there were world-wide causes at work. The public was indignant, however, because Parliament had not done its utmost to see that those world-wide causes were not enhanced. The anger was due to the callous neglect of the Government and the Opposition on this subject. He thought Sir Thomas Smartt did not expect the Government to take any action in the matter. The whole gravamen of Mr. Boydell's charge was that for four years Parliament had deliberately, ostentatiously, and callously failed to deal with the matter. The Minister had made no reply to that. The motion would never have been introduced if it had not been for the general elections. He looked upon the Ministerialists as an honest Conservative Party, but the Unionist Party was one of the most hopelessly dishonest of political parties. One of the greatest dangers confronting democracy was that the function of Parliament was being rendered nugatory by the way in which the Press of the country distorted, suppressed,

and altogether misrepresented the speeches made in that House. The whole of the Press was simply capitalistic, designed to uphold the views of the money power. That was the great danger confronting democracy. In conclusion, Lt.-Col. Creswell congratulated the Prime Minister on his message to the world in regard to the Brotherhood of Man. He would, however, ask him to signalise his acceptance of the Premiership by doing something effective and by giving effect to the ideals which he had so nobly propounded.

Replying to the debate :

Sir Thomas Smartt said he resented the attitude of Mr. Boydell, while Lt.-Col. Creswell had addressed the House in a manner which he (Sir Thomas) did not entirely understand. Though they had had very little direct support from Mr. Burton he felt certain that the debate would have an effect and a result. He considered that most unjust attacks had been made on the commercial community, the majority of whom were carrying on business straight-forwardly and honestly. He did not think that the farmers as a body had been associated with keeping back supplies and raising prices. Under ordinary circumstances he would not favour the fixing of prices, but a time might come when, in dealing with maize and things of that kind, which might be cornered, a maximum price should be fixed.

In a division Mr. Boydell's amendment was negatived. The minority consisted of the five Labour Members.

The motion was agreed to.

DEBATE IN THE SENATE.

Senator the Hon. F. O. F. Churchill moved a similar resolution to that moved by Sir Thomas Smartt (see page 221) in the Senate, and said there was a strong impression that to some extent the rise in prices was artificial and this caused people to become discontented and provided material for trouble. There were directions in which the Government could afford relief. There was the matter of freight, and in this connection he eulogised what Mr. Hughes, the Prime Minister of Australia, had done in opposing the Shipping Ring. Apart from purchasing vessels, the Government could join hands with Mr. Hughes and secure control of the shipping, and thus get some amelioration of the lot of the people now. He would like to see the Government ask for a Conference of the other Dominions to remove the incubus. He criticised the meat ring and said that that octopus had collared the fish industry. In Durban the cold storage companies threatened fishermen with a refusal to supply ice unless the fish were sold to the companies. That kept up the price of

fish. Continuing, he referred to smaller rings and instanced tinned milk and the printing trade. Then again, he understood that cheese and wheat were controlled by rings. The middleman, he believed was the worst offender.

Senator the Hon. A. D. W. Wolmarans defended the farmers and said that Senator Churchill showed his ignorance of farming conditions. The farmers had to pay 100 per cent. increase on agricultural implements. It was, therefore, absurd to ask them to reduce their prices.

Senator the Hon. T. L. Schreiner urged the Government to take a firmer stand, and emphasised that the natives were dependent for subsistence on mealies. It was, he said, the duty of Parliament to look after their own people first.

Senator the Hon. W. K. Tucker did not think the motion went far enough and wanted the embargo to be extended to sugar. He did not believe prohibition of export would solve the matter. The real solution was the elimination of the unnecessary middleman or speculator. Retail butchers complained they had to buy meat at three times the price at which it could be landed in London. The whole blame lay with the speculator who was of no use to the world. He was surprised the Government had not the courage to tackle him.

Senator the Hon. Dr. B. Hewat declared that the workers were becoming more and more discontented because they were living under conditions which barely allowed them to provide the means of living. He warned the Government that if they did not take action there would be an upheaval. He emphasised that food commodities were allowed to be exported all the while the people were being exploited. Only people like he who went into the homes of the poor could realise the terrible conditions under which they lived.

Senator Brig.-General the Hon. J. J. Byron said that the difficulty was to put forward concrete proposals. He pointed out that while State trading had reduced prices in Queensland it had been at the expense of the general taxpayer, as the operations were carried on at a loss. They should approach State interference, as such, with great caution, though he would not say that there should never be such State interference.

NEWFOUNDLAND.

Parliament was prorogued in April, 1919, and the General Election took place in November, 1919. When the new Parliament meets, attention will be given to the proceedings in subsequent issues of the Journal.

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INTRODUCTION.

The objects and scope of the Journal were sufficiently explained to members of the Empire Parliamentary Association in the Parliaments of the United Kingdom and the Dominions in the Introduction to the first number which was issued in January last. It is thought, however, that some introductory observations may find a useful place in the second quarterly issue.

A few words may first be permitted upon the reception which the Journal has received from members of the Association in the different Parliaments, and from the Press.

It is not possible to find space to quote from the numerous letters of cordial congratulation received from some of the foremost statesmen of the Empire; but it may, at any rate, be recorded that the general line of comment has indicated warm appreciation of the task that has been undertaken of keeping legislators of the Empire informed as to what is happening in the respective Parliaments, both by summarising the legislative proposals and enactments and also the Parliamentary debates on the leading political issues.

Though it may seem invidious to single out from the Press comments any particular passage, for so much that is helpful to the work and future career of the Journal has been said by leading papers, yet a quotation from an able and exhaustive review in the *Spectator* may perhaps be allowed, as it may almost be said to summarise, not only the purposes of the Journal, but the general attitude of the numerous reviewers:—"A Journal that will guide legislators, journalists and students through the maze of reported debates, and tell them briefly what the Parliaments are saying and doing, will be a most useful addition to the political library, and will form a new link between the Mother Country and the Dominions."

In the present number of the Journal, an attempt has been made to deal with the latest information from each of the Parliaments of the Empire.

In the case of the United Kingdom, a dividing line was easily provided by the Easter vacation, and only those proceedings of general interest which took place during the first part of the 1920 Session have been summarised. Several matters of importance which have been touched upon in this first part of the Session, but which will be dealt with more fully later, have been held over in order that the summaries may be more adequate and intelligible.

With regard to Canada, the Parliamentary Debates up to the end of March have reached this country, and have been

dealt with in this number. Some references will be found to the new national status of the Dominion, to the League of Nations, to Naval policy and to other matters of importance.

In the case of the Commonwealth of Australia, none of the Parliamentary Debates and Bills of the 1920 Session have reached England in time to be summarised; but the latter part of the 1919 Session, which it was impossible to touch upon in the last number owing to the non-arrival of the Parliamentary Debates, has been treated in the present volume. In accordance with the announcement made in the first number of the Journal, some of the more important Bills introduced into the State Parliaments have been summarised.

Respecting New Zealand, the latter portion of the 1919 Session has been included, and also some subjects held over from the last number.

As to South Africa, the new Session commenced on the 19th March, and it has, therefore, only been possible to summarise the Debates up to the 25th March, this being the date of the last Parliamentary Debates to reach England before going to press with the present issue. The proceedings of the latter part of the Session, including interesting Bills and discussions dealing with the control of rents and profiteering, will be summarised in the next number of the Journal.

Many references will be found in this number to subjects of general interest to legislators throughout the British Empire, both in regard to international questions, which may be said to affect the Empire in relation to the outside world, and to matters of inter-Imperial significance, where similarity of legislation may be both desirable and practicable. In the first named category may be included the references to the problems of foreign policy, to the League of Nations, to defence, to the status of the Dominions in the world politics of to-day, while in the latter may be considered the attempts at solving some of the urgent social problems, connected with Labour, Divorce, Housing, etc., upon which the attention of legislators in the various nations of the British Commonwealth is now naturally concentrated.

THE EDITOR.

EMPIRE PARLIAMENTARY ASSOCIATION
(*United Kingdom Branch*).

WESTMINSTER HALL,
HOUSES OF PARLIAMENT,
LONDON, S.W. 1.

20th April, 1920.

UNITED KINGDOM.

The second Session of the third Parliament of King George V. was opened by His Majesty in person on 10th February, 1920. Both Houses sat until 31st March, and on that date adjourned for the Easter Recess. The summary of proceedings which follows deals with business which was before the Legislature in this first stage of the Session.

THE ADDRESS.—GENERAL DISCUSSION.

DEBATE IN HOUSE OF COMMONS.

The debate on the Address in reply to His Majesty's Gracious Speech from the Throne was commenced in the House of Commons on 10th February, 1920, and was brought to an end on 13th February. The Address was moved by Colonel the Hon. Sidney Peel (Coalition Unionist, *Uxbridge*) and seconded by Mr. W. J. U. Woolcock (Coalition Liberal, *Hackney Central*). Their speeches were followed by a general debate.

The Rt. Hon. W. Adamson (Chairman of the Parliamentary Labour Party) said they were able to congratulate themselves on the final ratification of the Peace Treaty with Germany. At the same time, he was of opinion that some of the terms in that Treaty were of such an onerous character that there was little hope of them being carried out. "We see signs," he said, "that the German people are looking to the Allies for some modification of the terms that have been imposed, and I would like just to suggest to the Prime Minister and to the members of his Cabinet that, before the Treaties of Peace with Austria, Bulgaria, Turkey and Hungary are completed, the whole situation might be carefully reviewed and closely examined with the view of having a lasting and enduring Peace established before these Treaties are finally ratified."

High Prices.

The inability of the Government to deal drastically with the prices of foodstuffs and other necessary commodities was, Mr. Adamson remarked, giving the people great anxiety and was one of the chief causes of the unrest which had retarded the re-establishment of normal conditions in this country. A determined attempt should be made to deal with that evil. How could the Government expect that there would be

progress, prosperity, and social peace so long as the working classes were the victims of profiteering, and continued to see huge dividends paid? No part of the reserves which were being built up in the industrial system of this country was being used to guarantee the position of the workman in any shape or form. The present Profiteering Act had utterly failed to accomplish its object. Unless an amending Bill of a drastic character was brought in there was just a possibility that things would grow worse and worse until they might have the people absolutely revolting against the steady increase in the cost of living.

Regarding the Bill for the better government of Ireland, Mr. Adamson said he had just come back from a short tour in that country, and he did not meet a single person who looked with favour upon the proposed Bill.*

After referring to the coal-mining industry (concerning which he declared that nationalisation was not only the claim of the miner, but that of the Labour Party) Mr. Adamson said that in the Speech from the Throne the importance of agriculture was emphasised. It was a wise policy to encourage the production within their own country of as much foodstuffs as possible. Was anything to be done by the Government with a view to providing the transport that was vital to the encouragement of the agricultural industry in this country? Nothing was said in the Speech from the Throne about the general question of transport, or about the many disabilities under which discharged and demobilised soldiers and sailors still lived. There was a considerable number of other matters of which a lot had been made in the last two years to which there was not even a passing reference in the Speech from the Throne. They were entitled to ask the Prime Minister what were his intentions in these matters.

General Election Demand.

The Rt. Hon. Sir Donald Maclean (Chairman of the Independent Liberal Party in Parliament) remarked that there had been no parallel to such an expressed lack of confidence in the Government, as shown by by-elections, as had been the case during the last twelve months. As Governments had proceeded there had been from time to time withdrawals from their ranks. So far as he had been able to ascertain, however, there had never been a case where one of the most

* Full references to Ireland in the course of the Debate on the Address have not been included as the subject is dealt with in the discussions upon the Government of Ireland Bill. See page 244.

prominent members of the Government had put on the black cap and delivered sentence of death on his own Government while remaining a member of it. What did the Lord Chancellor say ?

But they [certain circumstances] cannot, in my judgment, be successfully urged by an invertebrate and undefined body such as the present Coalition.

After consideration, a fortnight later he delivered his further opinion. He repeated the word "invertebrate" and proceeded :

It is ineffective in attack ; it is unconvincing for the purposes of defence. It lets every case go by default.

The reason for that remarkable development on the part of the electorate, that significant statement by a Minister, was that the time had come for the Coalition to end. (Hon. Members : "No, No."). The time had arrived when its place should be taken by a newly-elected body, fresh from the electorate, who had expressed their opinion under fair conditions. Whatever might be the results of that election, when it came, he was certain it would carry an immensely greater body of moral authority, of whomever it might be composed, than the present Government had for dealing with the extraordinarily difficult problems they had to combat.

The Drink Problem.

Turning to the Gracious Speech from the Throne, the right hon. gentleman described as one of the "gravest omissions" the absence of a single reference to the overmastering necessity for national and individual economy. Could anyone doubt that the Executive was grossly remiss in failing after the Armistice to grapple with the matter from the very beginning, and to dam up at once the extraordinarily ruinous flow of public expenditure on unnecessary things ? They all deplored individual extravagance. But wherever they went they found the statement made in reply to any remonstrance : "Let the Government begin." After touching upon other topics the right hon. gentleman reminded the House of a reference in the Speech to the drink question. "America, they say, has gone dry," he remarked. "That is an economic factor of the most tremendous importance to this country. What have we been doing ? . . . In 1914 the public expenditure on drink was £164,500,000 ; in 1915 it rose to £182,000,000 ; in 1916 to £204,000,000 ; in 1917 to £259,000,000 ; and in 1918 it was again £259,000,000. The estimated figure for the year ending March 31st, 1920—I really feel that it cannot be correct, but it is given to me by the same authority—is nearly £400,000,000."

Sir W. Mitchell-Thompson (*Ulster Unionist, Maryhill*): "What is the duty?"

Sir D. Maclean: "I do not know what the public revenue was for 1920, but I can give it for the years 1915 to 1918. In 1915 it was £60,700,000; in 1916 £53,900,000—nearly £54,000,000; in 1917 it dropped to £34,500,000; and in 1918 it was £48,500,000. I suppose that the higher figure will produce a much higher result. Has any Chancellor of the Exchequer, in introducing his Budget and dealing with the revenue derived from intoxicating liquor, ever taken up any other position than that if he dared, or if he could, he would be glad to do without it? . . . This expenditure on drink by the nation is of the deepest importance, and is no question for laughter or for light treatment. I am talking as an ordinary public man on a matter of grave and great importance, and I only hope that the measures—I do not know what they may be—to be introduced by the Government will make a serious attempt to grapple with this very grave position."

Premier's Reply.

The Prime Minister (*The Right Hon. D. Lloyd George*), replying to Sir Donald Maclean's reference to by-elections, said no one expected that, after the excitement and the exaltation of a great war, there would be anything but a period of reaction, of discontent, of unrest, and even a certain measure of disaffection. Everyone knew that prices would be high, that there would be difficulties about demobilisation and employment. Everyone knew also that all those difficulties would be laid at the door of the Government, and that any Government that took charge of the situation after a great war had to get the time the Constitution allowed it to work through its programme.

The Leader of the Labour Party had asked what the Government were doing about demobilised soldiers, about training, and about land. "We have already purchased 200,000 acres in England for the purpose of settling soldiers," said the Premier, "but at the present moment he and those associated with him can do even more than governments. There are hundreds of thousands of demobilised soldiers out of work at the present moment. That is not through lack of work. Has he read the reports of the difficulties of municipalities about housing? It is not because the houses are not needed; it is not because these municipalities are not prepared to build them; it is because they cannot get the workmen, and after an appeal made, it has been decided that trade union regulations cannot be suspended. What is the result?"

Although there are 350,000 soldiers anxious to work, willing to work, skilled enough to work, needed by the nation, needed by the workmen who help to build, these regulations are standing in the way."

Legislative Programme.

Commenting on the remarks of Sir Donald Maclean with reference to the Lord Chancellor, the Prime Minister said he thought the quotation simply pointed out the inevitable difficulties of working Coalitions. There was a very great programme of legislation this year. "I hope," the right hon. gentleman proceeded, "the House will apply itself with the same industry, with the same courage and the same breadth as it showed last year. Its reward will come. I have no fear of the justice of the British jury when it judges upon the facts. First of all, let us get from this House the equipment and the power to do things. That is why we are trying to crowd these Bills in the first two years, so as to have the time to administer, to build, to construct, to develop, and when the time comes we shall have achieved, not Bills, but something which the Bills have achieved. Then we will talk about by-elections; aye, and the General Election too."

Replying to other points in the speeches from the Opposition front bench, Mr. Lloyd George observed that the real explanation of the high cost of living was the devaluation of money. Anybody who said that high prices were due to profiteering either did not know the facts, or was misleading the people. Prices could be reduced only by redressing the balance of trade and they could not accomplish that without increased production. Coming to the question of economy, he was pleased to tell Sir Donald Maclean that the Budget would more than balance. He had no doubt that much more might have been done to cut down expenditure, but the Government were effecting the strictest and most relentless economy in every Department of the State.

Russian Policy.

Answering questions on the subject of Russia, the Prime Minister said that all British forces were out of Russia, except Batoum, and from there they were rapidly being withdrawn. What were the facts in regard to Russia? The first was that they could not restore Europe without putting into circulation the resources of Russia, the strength of Russia, the wealth of Russia, everything in Russia—East and West. If that could have been accomplished under some regime other than the Bolshevik, it would have been the view of America

and of every democracy in the world. Another point was that it was perfectly clear they could not crush Bolshevism by force of arms. He was of that opinion, quite frankly, a year ago, and tendered advice based on that assumption to the warring factions in Russia.

What was the course now? "We have failed," said Mr. Lloyd George, "to restore Russia to sanity by force. I believe we can save her by trade . . . Trade, in my opinion, will bring an end to the ferocity, the rapine, and the crudities of Bolshevism more surely than any other method. . . . The corn bins of Russia are bulging with grain . . . But you will not get it so long as contending armies roll across the borders. It is not a question of recognising the Government; it is a question of dealing with the people who have got commodities to sell and to exchange for what we can give them. When people are hungry you cannot refuse to buy corn in Egypt because there is a Pharaoh on the throne. The conditions in Europe are serious . . . I warn the House that in the face of things that may happen, we must take every legitimate weapon to contend against these things. There is but one way—we must fight anarchy with abundance."

The Rt. Hon. Lord Hugh Cecil (*Coalition Unionist, Oxford University*) said he would like to have the question of the devaluation of money dealt with more drastically by the Government, but it could not be done without great financial embarrassment unless accompanied by a rigid system of national economy. They had learned now, if never before, that the whole civilised world was one commercial community, and they could not have extravagance in one place without the whole world suffering.

The General Debate was finished on the opening night of the Session.

DEBATE IN HOUSE OF LORDS.

In the House of Lords the debate on the Address was concluded at the first sitting of the new Session on 10th February. The Address was moved by the Marquis of Dufferin and Ava, and seconded by Lord Charnwood.

The Marquis of Crewe, referring to the ratification of peace with Germany, said it was unfortunately true that the actual terms could not be, and never would be, carried out. That was in itself, of course, a most serious prospect. On the other hand, he remembered that last July Earl Curzon of Kedleston pointed out that it would be within the competence of the League of Nations to amend that Treaty, in which respect it

differed from all previous Treaties of peace in their history. There had been a feeling of disappointment that the Great Associated Powers had in the method of their consultations, and to some extent in the output from their deliberations, borne too close a resemblance to the Concert of Europe, with which they were so familiar in the past. The Concert of Europe did not profess to be an agreeing body, whereas the Great Associated Powers were, nominally at any rate, animated by a single idea. They might, therefore, have hoped that their communications and consultations would have been conducted with greater speed and have been followed by more positive results than those of the earlier body.

The Turkish Settlement.

“We view with natural anxiety,” said the noble Marquis, “the prospect of the conclusion of peace with Turkey. The view that many of us have taken of peace with Turkey is that the arrangement should represent what in another connection has been described as a ‘clean cut’—that is to say, that so far as the subject races are concerned of which Turkey in the past has proved herself the unfaithful guardian, they should be altogether freed from Turkish rule and from Turkish interference, but that, on the other hand, in the area which can properly and strictly be described as historically Turkish, there Turkey should be not merely supreme but should be free from interference of all kinds. When the results of victory were being discounted at an earlier stage of the war it was held by some that the proper solution of the problem of Turkey in Asia was that of the creation of a number of spheres of influence falling under the modified control of the various Great Powers. That solution, which to many of us never seemed a very promising one, has, I hope, to a considerable extent been abandoned, and the more that it is possible to carry out what I have ventured to describe as the ‘clean cut’ the better, I think, the prospects of peace for the future.”

So far as the acquisition of British territory, or of British influence, in Asia was concerned, the noble Marquis confessed that he had always been one of those who desired to limit anything in the nature of actual acquisition as far as possible.

The Prince's Tour.

“There is,” he continued, “one paragraph in the Speech which will be received with much enthusiasm—namely, that relating to the approaching visit to other Dominions by His Royal Highness the Prince of Wales. . . . We all feel that

tours of this kind are of great advantage not merely to the Prince himself but to the Empire generally, both as emphasising that feeling of personal comradeship (to which the gracious Speech alludes) with those who have served with him in the Army and Navy, but also as marking what we know to be the fact—that the ancient British Monarchy is in fact the keystone of our great Imperial arch.”

The Secretary of State for Foreign Affairs (Earl Curzon of Kedleston), also speaking of the travels of the Prince, said that in a single year the heir to the Throne, after concealing both his services and abilities in the strenuous occupations of the War, had sprung into fame as one of those forces which were likely to do the greatest good in the future for this country and for the Empire as a whole. “We have followed with interest,” said the noble Earl, “his travels in Canada and the United States, and we feel certain that similar triumphs await him in Australia, New Zealand, and the West Indies. When he comes back from these journeys he is destined to pay a visit to our great Dependency in India. Wherever he goes, fresh triumphs await him.”

Treaty Revision.

Referring to the Peace Conference, Earl Curzon said that if anybody yielded to the temptation to blame the slowness of the pace, or the inadequacy of the results, let him remember the vital distinction between this and almost any other Peace Conference or Convention. In the course of the War new forces had been unchained, and in the settlement of affairs at the end new principles had been called into existence, and were recognised now, which had never played a part in the previous settlement of international affairs. They could not expect the conditions of a seething cauldron like that to settle down in two or even five years.

“When the noble Marquis says that a good deal of the Treaty which has been concluded will have to be re-written and revised,” the noble Earl proceeded, “I have no doubt that he speaks what is absolutely true. No one of its authors would claim for it any sacrosanct character. Time alone will prove whether it is right or not, and I expect that in that Treaty, as in most others, a great deal will have to be changed as time goes on.” Diplomatic and trading relations had been resumed with Germany, and if she showed a disposition faithfully to fulfil the obligations of the Treaty this Country would do its best to render her aid in fulfilling those obligations and in resuming her place among the civilised communities of the world. As to the League of Nations, it was an absolutely essential structure, not only as a guarantee and security

against a repetition of the horrors which already, perhaps, were beginning to fade from their minds, but as a guarantee of the peaceful settlement which they were trying to set up. He believed most profoundly that in the seriousness with which the Council of the League approached the duties which now lay before it, the authority which it acquired, and in the spirit which characterised the objects and actions of the League, would be the one real hope, not only for Europe, but for the world, that they were going to advance into the new era about which there had been so much talk.

Attitude of United States.

The noble Earl passed on to refer to the Treaty with Turkey. "Many might feel tempted to say that the negotiations on that Treaty had been too long delayed, and it is undoubtedly true that we and the whole world are paying a heavy price for that delay. I would merely point out that, greatly as I regret it, the delay is due to no fault of ours, but is due to the desire to give the United States of America an opportunity of taking that part in the future settlement of those regions which we had anticipated she would play. . . . We should have welcomed her as mandatory for Turkey, for the whole Turkish Empire if it had been so considered, for Turkey in Europe, for Turkey in Asia Minor, for Armenia, for Constantinople itself."

"I am not going to say a word in criticism, still less in derogation, of her attitude. . . . Some of us may feel disappointed, but America has a traditional policy profoundly ingrained in her national being which at least we ought to endeavour to understand, and which, if we do understand, we cannot fail to respect. She desires to keep her hands free from entanglements in other parts of the world. She is the best judge of her own policy. But her refusal to bear a share in the burden here has undoubtedly increased the responsibilities which devolve upon those who are left."

There were, Earl Curzon observed, certain burdens that this country would have to shoulder. It was too late now to talk—if the mandate were offered to them—of confining their activities in Mesopotamia to the Vilayet of Basra, and bearing no share in the future control of Baghdad. The closest co-operation was needed with their Allies, and principally with France. Great Britain and France were the natural guardians of the destiny of the Near and of the Middle East—at any rate they were more interested than any other Powers—and he hoped they would allow no action of interested parties to interfere for one moment with the honest and friendly co-operation by which they ought to be inspired.

Situation in Ireland.

Dealing with the situation in Ireland, the noble Earl said the Lord Lieutenant and the Chief Secretary had not the slightest intention of surrendering to the rebel movement, but were resolved to maintain Ireland within the Empire. The rebel bodies with which they now mainly had to deal in Ireland were the Irish Volunteers on the one hand and the Irish Republican Brotherhood on the other. The Irish Volunteers were an army, drawn up with a regular organisation modelled upon that of the British Army, subjected to a close discipline, animated by a resolute spirit, and carrying on everywhere a campaign of terrorism and intimidation. On the other hand, the Irish Republican Brotherhood were a body, as he understood, who were pledged to commit assassination, and to that organisation they owed the terrible murders of police officers and inspectors, and so on, with which they were confronted. It was true that the situation as regarded procuring evidence in Ireland was deplorable; the reign of intimidation was so supreme that they could not get people to come forward. In these circumstances there was no alternative but to pursue the course which was being adopted by the Lord Lieutenant and the Chief Secretary.

Viscount Bryce said they need not despair that there would be forthcoming some kind of assistance from the United States. "I gather from what I have heard," said his lordship, "that though that country may be unwilling to undertake such a mandate as at one time was proposed, it is quite possible that in some form or other substantial assistance may be given to the attainment of those aims which we all have for the Christians of the East."

The Address was agreed to and was ordered to be presented to His Majesty by the Lords with White Staves.

PEACE TREATIES.

On 12th February there was a debate in the House of Commons on the Peace Treaties. It took place on an amendment to the Address, moved formally by Mr. George Thorne (Independent Liberal, *Wolverhampton, E.*), and seconded by Colonel Penry Williams (Coalition Liberal, *Middlesbrough, E.*) in these terms:—

"But humbly regret that Your Majesty's Ministers have not recognised the impracticability of the fulfilment by our late enemies of many of the terms of the Peace Treaties nor shown an adequate appreciation of the grave dangers to our economic position at Home and abroad by the continuance of the delay in the restoration of settled conditions in many parts of Europe and the Near East."

DEBATE IN HOUSE OF COMMONS.

The Right Hon. Sir Donald Maclean (Chairman of the Independent Liberal Party in Parliament), supporting the amendment, quoted from a message which General Smuts issued after he had left Paris and in which he wrote: "The Treaty is simply the liquidation of the war situation in the world." On the whole, he thought the experience of the past two months had shown that the estimate of General Smuts was substantially accurate. He was glad that Lord Curzon, speaking in the House of Lords for the Government, had said he agreed that a good deal of the Peace Treaty would have to be revised. On what lines were they going to move in the readjustment to present conditions? He hoped the action which would be taken by the Government, in conjunction with their Allies, would be taken on the long view.

Indemnity, War Criminals, etc.

Dealing with the payment of the indemnity by Germany, Sir Donald spoke of the folly of not fixing a sum—the ruinous method of the indeterminate position. The suggestion had been made to him that they should fix the rate of exchange at which the indemnity would be paid off. With regard to the trial of the war criminals, he was astonished and alarmed by the long list of names which had been published. It seemed to him to take the whole question out of the region of practicability. So far as his observations of the list went, he thought the defence that could be put in with regard to a considerable number of the cases, in any court which had the least claim to fairness and competency, would involve a condition of things in which the profession to which he had the honour to belong would revel not merely for many months, but for years.

The position with regard to the old Austro-Hungarian Empire was one of the greatest difficulty. He urged that there was only one sound way of treating the new States which had been created under the Peace Treaty—that was, from an economic point of view at any rate, they ought to have free trade amongst themselves. He believed there was no real hope of a sound economic future for the whole continent of Europe apart from freedom of trade all round. Touching the report that it was proposed to give Roumania and Serbia territories to which they were not entitled on the principle of nationality, the right hon. gentleman said the whole matter should be at once investigated by an impartial Commission of experts, and the Treaty finally settled after considering its report. As to the Montenegrins, they should not be defrauded

of their free and unfettered decision as to what their future should be.

After referring to the condition of Austria, Sir Donald observed that many of the most important provisions of the Peace Treaty were quite unfit for the present condition of affairs. They were frankly against humanity, and were definitely opposed to economic teaching.

Dangers in the Middle East.

The Right Hon. Lord Robert Cecil (Coalition Unionist, *Hitchin*) did not think it would be a practical policy to ask for the revision of the Treaty at that moment, though he felt strongly that sooner or later some of the terms would have to be revised. The condition of foreign affairs was profoundly serious wherever they looked, and it appeared to him that the dangers in the Middle East were largely attributable to the prolonged delay in dealing with the Turkish Treaty. The noble lord proceeded to quote from Sir William Goode's report on the situation in Central Europe, and said that so far as his information went that situation had grown steadily worse. The root of the whole thing, of course, was the total breakdown of the economic system. It was essential to Europe, essential even for the purpose of getting an indemnity, essential to everyone, that they should get the populations of those countries to work, and to work hard, as soon as possible.

If they were to get out of the Russian tangle and many other difficulties, the noble Lord said, it was essential that they should try to secure an international authority with the same kind of prestige as the Peace Conference had at its start. It was an important opportunity for utilising the League of Nations. There was nothing to prevent a meeting of the Council of the League being held which would be attended by the principal Ministers of all the countries concerned. He would like to see a great meeting of that kind in public and a great debate on the Russian situation. "I should like," Lord Robert added, "to see them come to a conclusion to give directions to the warring sections and parties of Eastern Europe that they must cease their fighting, that they must draw back well within the provisional lines of their own countries, that they must absolutely stop fighting on pain of being cut off from all kind of connection with every country in the world." He would like to see International Commissions nominated by the Council of the League of Nations sent into Russia, one to find out definitely what really was going on there and another to define provisionally the boundaries between Russia and the border States. He beseeched the Government to deal with foreign questions

absolutely apart from all local and transitory considerations of party politics in this country.

Mr. Balfour's Reply.

The Lord President of the Council (the Right Hon. A. J. Balfour) replying, said there would have been a great danger in the Council of Versailles fixing then and there the amount which their late enemy was expected to pay by way of reparation. It was perfectly clear that not only had they in the Reparation Commission a machine for equitable adjustment, but the Allies had offered to Germany that she should put before them her propositions with regard to a lump sum which might be exacted from her and had promised to consider them. He really could not conceive what more they could, or ought to, put into a Treaty.

When Sir Donald Maclean talked of re-submitting the frontier between Hungary and Roumania to the consideration of an impartial Commission he did not think his right hon. friend could be aware how careful and elaborate were the inquiries into those frontier questions. It would do no good to say, "Here is a frontier which might be better; we will re-submit it to the decision of an impartial Commission." Still less was it any good to make that criticism at the very moment when one of the charges against the Government was that they had not succeeded in carrying through the Peace Treaty quite as quickly as they might have done.

As to the war criminals, the British Government had always been most anxious to keep down, so far as possible, the number of those charged. "I can assure the House of this," said Mr. Balfour, "that our list, which is between 90 and 100, includes nobody who did an illegal act because he was ordered to do it, and did not go beyond his orders. . . . I am sure the House agrees with me that these minor instruments of crime who, in their brutality, go beyond even the brutality of their orders, ought not to be allowed to escape. If that be the principle, as I think it is, on which the general list is framed . . . it seems to me very difficult to find any principle on which it can be reduced."

Conditions in Europe.

Proceeding, Mr. Balfour said he did not believe that any accounts were too dark to represent the position of a large part of Europe at the present time. What was going on in Vienna was going on—he hoped with less intensity—over great areas that five years ago they regarded as civilised, prosperous, secure, well-to-do. That was not the fault of the Treaty:

it was the fault of the War; and no paper provisions in any treaty, carry them out how they liked, would put an end to these evils. With regard to Vienna, this country had already spent $12\frac{1}{2}$ millions sterling in relief of a population which was starving at that moment because it joined in an unjust war against this country and its Allies, and had offered to spend another 10 millions provided that others came forward and adequately shared the burden.

The main brunt of the criticism of Lord Robert Cecil was upon the delay that had occurred in completing the Treaties required to give a full settlement to the Middle East. The idea which the Council of the Great Powers had in Paris was that the question of the Middle East could not be settled except by the use of the mandatory principle which was part of the League of Nations. They hoped—and they had every reason to hope—that in the mandatory burden America would bear her full share. That hope had been shattered by events, and that was one cause—but, of course, not the only cause—of the lamentable delay that had occurred. For the economic condition of Europe he did not believe that it was possible for Europe to find, rapidly or completely, any remedy whatever.

Montenegro.

Mr. Ronald McNeill (*Coalition Unionist, Canterbury*) discussed the absorption of the kingdom of Montenegro into the Kingdom of Serbia, which he described as one of the most dishonourable transactions which had arisen out of the War.

The Leader of the House (*the Right Hon. A. Bonar Law*) said the information of the Government was not to the effect that there was on the part of the majority, or anything like the majority, of the Montenegrin people any desire to have the King restored as King of Montenegro. He quite admitted that there was among the Montenegrins a strong desire to preserve in some form their identity, and the Government's information was that the wish of the majority was that there should be some form of autonomy within the Serbian State.

On a division the amendment was negatived by 254 votes against 60.

TURKISH RULE IN ARMENIA.

A debate on Turkish rule in Armenia took place in the House of Lords on 11th March.

Viscount Bryce, who raised the subject, called attention to the present political conditions in Asiatic Turkey and to

the massacres perpetrated there by the Turks, and to the importance of preventing the frontiers of any territories left to the Sultan of Turkey from approaching the frontiers of Persia or Mesopotamia, and moved :—

That immediate steps are needed to secure the safety of the Christian inhabitants of Cilicia and Armenia, and to put an end to Turkish rule in these countries.

The noble Lord thought that a mistake had been made in the declaration that Turkish authority was to be retained at Constantinople, and that it was very unfortunate the arrangement should have been come to in such a way that it could be represented as being a surrender to an agitation got up in India. As to the conditions in Asiatic Turkey, he said that at first, after the Armistice, the Turks were completely cowed, but the result of putting off the settlement of the Turkish question had been an entire change in their mind and temper. They had formed now what was called a Nationalist Party and that Party was the old Young Turk Party revived. Mustapha Kemal had been sending out his emissaries into Cilicia, and doubtless into the Armenian provinces also, and had raised up the massacres which had commenced afresh in Cilicia.

Slaughter of Christians.

Their boldness went so far as actually to attack the French troops in Marash. A good many French, several Americans, and an enormous number of the Christian population were killed. Some put the number as low as 14,000, some as high as 22,000 ; but at any rate there could be no doubt there was a terrible slaughter. It was the best proof of the way in which the spirit and the hope of the Turks were revived, that, though they knew the terms of the Treaty were being arranged, they did not hesitate to attack the French and to commit these massacres. The first duty of the Allies was immediately to take steps to stop the massacres, and with reference to the question of the territory that should be left to the Turks, the lesson taught by events was that the Turkish Government ought no longer to be allowed to rule over subject races of another faith.

There could be no doubt that there was a recognised co-operation between the Bolsheviks and the pan-Islamic agents, and that it had spread as far as Afghanistan and was intended to operate in India. That co-operation would be far more formidable to Persia, Afghanistan, and India if the boundaries of the future Turkish Sultanate were allowed to reach so far to the Eastward as to be co-terminous with the boundaries of Persia, or Azerbaijan, or Mesopotamia.

It had become necessary to protect the whole East against new destructive forces, unknown before their own generation, but which were likely to prove just as dangerous as the armies of conquerors like Tamerlane.

The Secretary of State for Foreign Affairs (Earl Curzon of Kedleston) said the question of the retention of the Turk at Constantinople was one of the most difficult, complex, and closely-debated issues that the Allies had to consider. The decision come to, whether it was right or wrong, was arrived at because it was the view of the majority of H.M. Government and of the majority of the Allies. Great Britain had no desire or intention to remain permanently in Cilicia, which was outside the sphere of the maximum responsibilities that they ever expected to have to take up. In the month of November they withdrew from their temporary military occupation and handed over that area, as also the adjoining portions of the Syrian coast, to the French.

Warning to the Turks.

As soon as information was received of the massacre of Armenians the Supreme Council told the Turkish Government that instantaneous action must be taken to secure the punishment of the responsible parties and to prevent a repetition of those atrocious crimes. As a possible solution for the future, Viscount Bryce had suggested that the Mandate for Cilicia—if not taken by the French—might conceivably be assumed by some other State, or by the League of Nations. "I do not think," said the noble Earl, "that any prospect would be more welcome to the Allied representatives sitting in Conference than to find any State with a sense of responsibility and with sufficient means—physical, financial, and otherwise—which would relieve us of a portion of the charge. We have yet to find either; and as regards the League of Nations, when I think of the increasing burden that is being put hypothetically day by day upon that body—barely as yet called into existence, enjoying at present no forces, existing rather upon sound intentions and prestige than upon force for the moment—when I think of that, and I am told that the League of Nations can take over Cilicia or Armenia or anything else, I am disposed to think that the suggestion in the present state of affairs is hardly practicable."

Turning to Armenia, the noble Earl said its future raised one of the most difficult of the problems with which the Allies were trying to deal. It was clearly no good setting up an Armenia which was merely going to provoke a repetition of the horrors of the past. What they all had in view was to set up a State which, with assistance, would be able to

pursue a reasonably strong, self-supporting, autonomous existence of its own. The nucleus of the new State had already been constituted in the former State of Russian Armenia round Erivan. He looked back upon nothing with greater satisfaction than that it happened to be his lot in Paris to propose to the Supreme Conference a Resolution, which was carried unanimously, that *de facto* recognition should be given to that State. The Powers wanted to create an Armenia in those parts where there was a distinct predominance of the Armenian population, where they could provide them with a defensible frontier, where they would have the possibilities of economic development and an access to the sea.

An International Interest.

“As to the forces by which this State may have to be protected in the future,” said Earl Curzon, “I think that so far as men are concerned the Armenians should be capable of providing them themselves. They are a very virile people, they are quite capable of holding their own, and if the Allied Powers can secure them arms in sufficient numbers, as we are attempting to do, I think they ought to be able, with material assistance, to render a very good account of themselves. I think it may be desirable, should no Mandatory appear, to place the new Armenia under the protection of the League of Nations. Armenia is really an international interest, and it ought not to fall to the duty or to the charge of any individual State to be solely responsible for this people in the future.”

The whole principle upon which the Allied Powers were proceeding in Asia Minor, the noble Earl explained, was the reconstitution, as far as possible on an ethnic basis, of such States, or communities, or groups as were able, on the principle of self-determination, to justify autonomous life in the future. “We desire to afford protection and assistance to them, and further—and this is often forgotten—to create a state of affairs in which, instead of living in perpetual warfare with their neighbours, they will settle down with them in the future. After all, whatever you may think of the Turk there has to be a Turkish State, a Turkish population, a Turkish Government in parts of Asia Minor, and you want to produce conditions in which not only will you protect Christians, but in which you may secure decent government for the Turk himself.” The evidence that had been at the disposal of the Powers during the last three weeks in particular was unanimous to the effect that at Constantinople there had been growing up a

spirit of arrogance and defiance which boded ill for the future. "A situation has been reached in which the Allies who . . . are acting in unison, have felt that they cannot any longer acquiesce in a state of affairs in which they are flouted at Constantinople while persecution and massacres occur elsewhere."

Hazardous Venture.

"We have to see to the fulfilment of our pledges, to the execution of the Armistice as long as the Armistice lasts, and to the execution of the Treaty itself when it has replaced the Armistice. We also have—and this is much the most difficult part of our task—to try to build up a future for these harassed and persecuted and to a large extent devastated countries. Whether we shall succeed in that task I do not know. It is by far the most difficult and hazardous venture to which in my political life I have ever set my hand. Do not let anybody believe that any Peace which we are going to conclude is suddenly going to spread peace over Asia. Far from it. I cannot guarantee that even six months hence the situation will not be worse than it is now; but we are doing the best, according to our lights, to produce something like order out of chaos and to introduce something like light where impenetrable darkness has reigned for scores if not hundreds of years."

After further debate the motion submitted by Viscount Bryce was withdrawn.

GOVERNMENT OF IRELAND BILL.

The Bill embodying the Government's scheme to provide self-government for Ireland, which was broadly outlined by the Prime Minister on 22nd December, 1919,* was formally presented in the House of Commons early in the present Session and discussion on it was reserved until the Second Reading. This stage of the measure was taken on 29th March and two following days. Appended is a brief summary of the terms of the Bill:—

Two single-chamber Parliaments, one for the six north-eastern counties of Ulster and one for the rest of Ireland. Election to be by Proportional Representation.

* See JOURNAL OF THE PARLIAMENTS OF THE EMPIRE, Vol. I., No. 1, page 24.

RESERVED SERVICES.

The following matters are reserved to the Imperial Parliament :—

The Crown.	Trade outside the area of each
Peace and War.	Parliament.
The fighting forces.	Submarine cables.
Treaties and relations with foreign	Wireless telegraphy.
States and other parts of the	Aerial navigation.
King's Dominions.	Lighthouses.
Titles of Honour.	Coinage.
Treason and naturalisation.	Trade marks, copyright and patent
	rights.

In addition, the following points will be reserved for the periods stated :—

Control of police for three years.

Post office until arrangements are made by the two Parliaments for a joint postal service.

Land Purchase Acts until otherwise provided by the Imperial Parliament.

The two Ministries will be called the Executive Committees of Southern and Northern Ireland, and the Lord Lieutenant, exercising the King's executive power, will be appointed normally for six years.

The two Parliaments will be co-ordinated by a Council of Ireland representing the whole country, consisting of a President appointed by the King and twenty members delegated by each of the two Parliaments. Its powers will be :—

Private Bill legislation and laws respecting railways.

Questions affecting the welfare of the whole country on which it may make suggestions only by resolution to the Parliaments.

Any matters delegated to it by the two Parliaments.

In place of the Council the two Parliaments may decide to set up one Parliament for the whole of Ireland.

FINANCE.

A contribution of £18,000,000 per annum is to be made to the Imperial Exchequer, of which 56 per cent. will be paid by the South and 44 per cent. by the North.

After two years a Joint Exchequer Board will settle a fair contribution for the future.

An Imperial gift of £1,000,000 will be made to each of the two Governments to cover initial expenditure.

The land annuities, amounting to £3,000,000 a year, will be handed to the Irish Government as a free gift for development.

Customs and Excise are reserved until the date of union, when the subject will be reconsidered.

There is to be a separate judiciary in each area, with a High Court of Appeal for the whole of Ireland.

The King may direct the Judicial Committee of the Privy Council to determine whether any Act of either Parliament or any legislative proposal before the Council of Ireland is beyond their powers.

Ireland is to return forty-two members to serve in the Parliament of the United Kingdom.

The Act is to come into operation on the first Tuesday in the eighth month after the month in which it becomes law. The two Parliaments are to be summoned to meet not later than four months afterwards.

The Bill repeals the Home Rule Act of 1914.

DEBATE IN HOUSE OF COMMONS.

Moving the Second Reading in the House of Commons on 29th March,

The Chief Secretary for Ireland (the Right Hon. Ian Macpherson*) reminded the House that this was the fourth Bill which had been presented for the better government of Ireland. It was made clear in the statement of the Prime Minister at the close of last Session that the Government, in fulfilment of its pledges, was determined to carry through Parliament definite proposals which would be an honest attempt to settle, once and for all, that age-long difference. Much had happened since 1914 when the Home Rule Act was passed and placed upon the Statute Book. A new spirit of conciliation and co-operation had entered their political life. Since then, while no one had wanted the Act of 1914, there had been a general desire in all parties that something should be done.

No Coercion of Ulster.

When the Act of 1914 was placed upon the Statute Book, Mr. Asquith gave an undertaking that it should not be put into operation until another Act had been passed dealing with the acute question of north-east Ulster. If the non-coercion of Ulster was recognised, it was equally recognised that the secession of Ireland from the United Kingdom, or from the Empire, in whole or in part, could never be tolerated. Those who unthinkingly, and in a spirit of bravado, clamoured for secession or complete separation from the Empire did not, it was true, consider Imperial interests; but had they ever considered the interests of their own country? Even from the material point of view there could be no more suicidal policy. The division of Ireland was distasteful to the Government, just as it was to all Irishmen, but an undivided Ireland for the purposes of legislation of that kind was at present impossible. All of them hoped that the division might be temporary only, and, therefore, the Bill had been framed in such a manner as might lead to a union between the two parts of Ireland.

* Since transferred to the office of Minister of Pensions, his successor as Chief Secretary being the Right Hon. Sir Hamar Greenwood.

“It is quite obvious,” remarked the right hon. gentleman, “that we cannot impose union against the will of one part or the other. Union must be a free and voluntary thing. . . . Wise and prudent administration and legislation on the part of these Parliaments and the new Government will, we hope, remove and break down the distrust that may be felt in the one part for the capacity and fairness of the other. Relying upon these considerations, we propose to establish a Council of the whole of Ireland as a link between the two Parliaments, and as a bridge to bring together men of each Parliament to enable them to discuss face to face matters of common national interest to the whole country. Irishmen of opposing views have before now, with undoubted success, sunk their differences and settled their controversies in circumstances such as these, and we are justified in hoping for similar results from these new proposals.”

Land Purchase.

The right hon. gentleman proceeded to deal in some detail with the provisions of the Bill and pointed out that the general question of land purchase was reserved to the United Kingdom Parliament. It had always been recognised that no proposal for an Irish settlement could be regarded as complete unless some provision was made for the settlement of the land question. One of the best achievements of the Irish Convention was the formulation of a compulsory scheme which would provide for a speedy completion of land purchase on terms equitable and fair between landlord and tenant. “The Government,” said Mr. Macpherson, “recognising as it does that it is under an obligation to introduce a land purchase scheme, has decided to adopt this scheme of the Convention as its basis, and will introduce a purchase Bill upon the lines of that scheme immediately.”

As to finance, the right hon. gentleman explained that Ireland's contribution to Imperial expenditure had been fixed at £18,000,000 for the first two financial years after the passing of the Act, and thenceforward the amount would be fixed at quinquennial periods by the Joint Exchequer Board. It might be asked, why should Ireland pay any Imperial contribution? In the judgment of the Government an Imperial contribution was a necessary consequence of Ireland's remaining within the Empire. A provision for an Imperial contribution was made in the Bills of 1886 and 1893. No country would expect to have all the expenses of Army, Navy, Debt, and Foreign Relations found for it by another set of taxpayers. Given that such a contribution was to be made, the transitional sum of £18,000,000 had been arrived

at on a basis very favourable to Ireland, allowing her an ample margin for growth of expenditure in the immediate future. In conclusion, the right hon. gentleman appealed to the House to consider the Bill on its merits, without the spirit or rancour of party.

Rejection Proposed.

The Right Hon. J. R. Clynes (*Labour, Manchester*) moved the rejection of the Bill. He said that he firmly believed in the justice and wisdom of extending the fullest possible measure of self-government to Ireland, but this Bill, if forced into law, would fail completely in that object. Two Parliaments were no substitute for the one Parliament which Ireland had so long claimed.

The House could pass the Bill, but, though accepted by a few people, it was approved by none. The Labour Party opposed the scheme because it provided a form of partition founded on a religious basis, and recognised the historic unity neither of the Province of Ulster nor of Ireland as a whole. The Bill would not remove, but deepen, the friction which had long prevailed.

"There should be conceded to Ireland," Mr. Clynes proceeded, "the maximum of national self-government compatible with the unity of the Empire and the safety of the United Kingdom in time of war; the fullest financial and economic liberty, subject to an annual contribution towards the cost of expenditure which is common to us all, and which, by the way, I think some of the more remote outposts of Empire have not fully met in past years. There should be adequate protection for the Ulster people from any sense of danger to their life, their property, or their faith. There should be the recognition of Ireland's right to discuss and decide in one elective assembly her own constitution and her own financial arrangements.

"These conditions, with all the terms which have ever been made on the faith of a Home Rule demand, would literally amount to self-determination, limited only by the requirements of Imperial unity and defence, and would ensure fulfilment even of the British pledges to Ulster. Upon these lines we believe Irish unity can be secured. . . . The remedy, as we believe, for this Irish trouble is to cease governing Ireland by force, not next month or next year, or after this Bill is passed, but to cease governing Ireland by force now."

Mr. T. P. O'Connor (*Irish Nationalist, Liverpool, Scotland*) said it was an extraordinary phenomenon that this Bill, "for the better government of Ireland," as it was called, would be

carried in that House, perhaps by a large majority, without a single Irishman voting in its favour.

The Chancellor of the Exchequer (the Rt. Hon. Austen Chamberlain) declared that the powers given in the Bill were the most generous that were compatible with the existing divisions in Ireland. When Ireland by union had shown herself fit for further extensions of power, and shown that power could be given to her and be enjoyed by her, not to the detriment of the Empire, but to its strength, then Ireland could come with a good grace to that House with demands for which she could expect to receive friendly and sympathetic consideration. For the first time in its history since the Act of Union—if that Bill passed—it would be in the power of Ireland to create for herself, unhindered and uncriticised by the House of Commons, a common Parliament for the whole of Ireland.

Captain Wedgwood Benn (Independent Liberal, Leith Burghs) said the real reason why the Ulster party consented to the partition of Ireland, and why the Government had adopted it as their policy, was because it would destroy the possibility of self-government in Ireland.

The Imperial Contribution.

The Minister of Pensions (the Right Hon. Sir L. Worthington-Evans*) pointed out that the whole of the £18,000,000 was not being taken as contribution because of an amount on land annuities, so the actual amount of the Imperial contribution taken at the end of the second financial year after the passing of the Bill would be £14,750,000, gradually declining to £14,250,000. The Bill was infinitely more liberal to Ireland than the Act of 1914, and infinitely better as a financial instrument with which Ireland could regulate her own house. It provided that the true revenue from all taxes raised in Ireland, after deducting the Imperial contribution, should be available for expenditure in Ireland. There would be deducted the cost of the reserved Services administered by the Imperial Parliament and the balance would be paid over to the Irish Exchequer under the control of the Irish Parliaments.

Income Tax and Super-tax were retained in the hands of the Imperial Government, and the collection would be made by Imperial machinery. But the Irish Parliaments were given wide powers of varying the rate and the incidence of the Income Tax. It would be quite impossible to give the two Parliaments powers to levy Customs and Excise. No such powers were given to any provincial government in Canada, or to any State in America. When, however, union

* Sir L. Worthington-Evans is now Minister without Portfolio.

had taken place Ireland must be able to show that the power to levy and collect Customs and Excise was necessary or desirable for her commercial development. She might then be able to propose some other method of securing a contribution to Imperial expenditure. When that day came, Ireland would be united, and it was not the least likely that she would fail to receive for any such proposal the consideration it would deserve.

Mr. Asquith's Objections.

On the second day the debate was resumed by,

The Right Hon. H. H. Asquith (Leader of the Independent Liberal Party) who said the sure sign of a free, healthy, well-governed community was that the ordinary citizen was an unofficial ally, and, if need be, a minister of the law. Tried by that test, Ireland at the moment was neither healthy nor well-governed. In these conditions, no one disputed that it was the primary duty of the Government to use all its legitimate resources for the prevention and punishment of crime. But he believed that they would not have struck at the root of the mischief until by a wise reform of their system of government they were able to count upon general co-operation in the enforcement of the law. Reference had been made to pledges he gave on behalf of the Government and the Liberal Party in 1914 that the system embodied in the Home Rule Act should not be imposed by force upon the Ulster minority. From those pledges he had never receded, and he did not recede that day, either in the letter or in the spirit. But a pledge was also given to the vast majority of the people of Ireland which was equally solemn and binding. That pledge, embodied for the moment in the Home Rule Act, was that they should have what they had demanded for thirty years, and what, after two elections, the people of Great Britain had conceded.

Hon. Members : "No, no."

Mr. Asquith : "Yes. It is no use denying the historic fact. Subject to all necessary safeguards for Imperial supremacy on the one side and for the protection of the rights and interests and even the susceptibilities of the Irish minority upon the other, there should be brought into effective and immediate existence an Irish Legislature, and an Irish Executive dependent upon it for Ireland. That is the pledge which was fulfilled by the Home Rule Act. This Bill proposes to repeal the Home Rule Act, which everyone agrees—I have said it myself and I have said it over and over again—before it is brought into effective operation requires amendment in important particulars."

The Leader of the House (the Right Hon. A. Bonar Law) :

“ I should like to know exactly where we are. Do I understand my right hon. friend to say that his pledge involved the giving of a Parliament for the whole of Ireland ? ”

Mr. Asquith : “ Yes, certainly, subject to safeguards and subject, as I have already stated, to not imposing by force upon the Ulster minority provisions with which they do not agree.”

Redemption of Pledges.

Proceeding, the right hon. gentleman said he could not be a party to the repeal of the Home Rule Act unless, in his judgment, that which was proposed to be substituted for it redeemed in essence, in spirit, and in substance, not only the pledges which he gave to Ulster, but his pledge to the Irish people as a whole. No one in Ireland wanted two Parliaments. No one in Ireland wanted to see the judicial bench cut in half. No one in Ireland desired the establishment in the administrative sphere of two Dublin Castles, however reformed and expurgated and regenerated, in place of one. Home Rule had always meant to those who had fought and worked for it for more than thirty years the establishment in Ireland of a single Legislature with an Executive responsible to and dependent upon it. Summarising his criticism of the Bill, Mr. Asquith said it started from the wrong point ; it met no demand ; it satisfied no need. It took away from Ireland, under the Home Rule Act it repealed, that which the great majority of her people demanded, and gave them in exchange something they did not call for, and, in all probability the vast majority would always refuse to use.

Having stated that—honestly and sincerely anxious as he was to find some settlement—he would have to vote against the second reading of the Bill, Mr. Asquith said it might be asked, “ What would you do ? ” He would leave the Home Rule Act on the Statute Book, but amend it in some most material and vital particulars. He would enlarge the powers given to the Irish Parliament and Executive under that Act so as to give them, to all intents and purposes, the status of a Dominion. He was aware when speaking of Dominion powers, of which fiscal autonomy was the symbol and essential expression, that the geographical contiguity of Ireland differentiated her position in some important respects (*e.g.*, Army, Navy, Defence) from the Dominions. The other point on which the existing Act required substantial amendment was concerned with the protection of minorities. He still favoured the expedient of county option for the Province of Ulster.

The Right Hon. Sir E. Carson (Leader of the Ulster Unionist Party) : “ Would the right hon. gentleman also give county option to the other counties in Ireland ? ”

Mr. Asquith : “ Yes.”

Sir E. Carson : “ I mean to the Sinn Fein counties ? ”

Mr. Asquith : “ Yes, if they ask for it, I am perfectly prepared to give it to any part of Ireland.” The right hon. gentleman added that the only policy which had any chance of success was one that was bold and generous.

Meaning of Dominion Home Rule.

Mr. Bonar Law remarked that in dealing with the situation in Ireland they had four alternatives. The first was simply to repeal the Home Rule Act, but it was obvious that was not possible to the present Government. The second alternative was Dominion Home Rule ; the third was to give self-determination to the representatives of the Irish people, viz., to create an Irish Republic ; and the fourth was to give to Ireland the largest measure of Home Rule compatible with national security and pledges given.

Mr. Asquith used the phrase, as representing his view, “ Dominion Home Rule.” Did he mean it ? “ What is the essence of Dominion Home Rule ? ” **Mr. Bonar Law** proceeded to ask. “ The essence of it is,” he went on to say, “ that they have control of their whole destinies, of their fighting forces, of the amounts which they will contribute to the general security of the Empire. All these things are vital to Dominion Home Rule. Does my right hon. friend (Mr. Asquith) propose to give these ? Not at all. He is going to reserve the armed forces—that is not Dominion Home Rule. The Dominions may decide to help, but it is not Dominion Home Rule for us to say how much they shall give.

“ My right hon. friend went further. He said he would give, at once, the Customs. There are many objections to that, which I will not elaborate now, but let me point this out, that even by his own whittling down of what he would grant to Ulster, there would be a certain section of Ulster left out. There would be Customs barriers between one part of Ireland and another, and it would not be easier to work these Customs arrangements if counties were spread haphazard over the north of Ireland. Does he really say that he would allow separate Customs in a part of Ireland while the rest of Ireland was excluded from them ? ”

Rights of the Dominions.

“ But it goes much further than that. To say that he is in favour of Dominion Home Rule means something much

more. There is not a man in this House, and least of all my right hon. friend, who would not admit that the connection of the Dominions with the Empire depends upon themselves. If the self-governing Dominions, Australia, Canada, chose to-morrow to say, 'We will no longer make a part of the British Empire,' we would not try to force them. Dominion Home Rule means the right to decide their own destinies.

"See what that means. Through all the Home Rule discussions, my right hon. friend went always on this—'I say that this is demanded by the legal representatives of the Irish people.' They are just as much the legal representatives now they are Sinn Feiners as they were before. To say, therefore, that he is prepared to give Dominion Home Rule means—and means nothing else—that he is prepared to give an Irish Republic. My right hon. friend shakes his head, but that is no answer. . . . From what I have said the House will see that, in my view, there is no difference between honestly granting Dominion Home Rule and openly giving self-determination to the elected representatives of Southern Ireland."

As to self-determination, Mr. Bonar Law continued, did the Labour Party mean what their language implied? Did they mean that if the elected representatives of Ireland wanted a Republic they would give them a Republic? That was what self-determination meant, and he excluded it as a possible alternative. The only course that remained was to attempt to give a measure of self-government to Ireland as complete as national security would permit. That the Government was trying to do, and Parliament would take a grave responsibility if it closed the door on the one chance of finally getting peace in Ireland.

The 1916 Negotiations.

Mr. J. Devlin (Irish Nationalist, *Belfast, Falls*), referring to the attempt to settle the Irish question in 1916, remarked that it had been said the Nationalists agreed to a provision by which the six Ulster counties should be permanently excluded, but they never agreed to permanent partition. The present Bill, in his judgment, was conceived in Bedlam and was drafted by F. E. Smith. For anything so extraordinary he could offer no other excuse or justification. It was a Bill which proposed permanently to divide a small nation into two nations; which proposed not only to partition Ireland, but even to partition Ulster. There were to be two so-called Parliaments. Why, they had not the powers of a wretched municipality. For the creation of those two so-called Parliaments, and of a Council without any power at all, they were to have their country split up. He could conceive of no plan

that would contribute more largely to poisoning still further the well-springs of harmony and concord in Ireland itself, and the good relationship between England and Ireland as well. The Bill was fantastic. The Government had created, for the first time in history, two Irelands. Providence arranged the geography of Ireland and the Prime Minister had changed it. He hoped the Government would not go on with the Bill. No one wanted it.

Ulster Unionist View.

Sir E. Carson said he wished to reiterate his opposition to the very end to the whole policy of Home Rule for Ireland. He had never believed in it. He believed now that it would be fraught with disaster to England and to Ireland. The truth was that there was no alternative to the Union except separation, and it was no use talking of settlement in Ireland where nobody proposed to settle. It was no use talking of self-determination in Ireland, for nobody proposed to give self-determination. "What you are really proposing to do," said the right hon. gentleman, "is to give a lever to your enemies by which they may, under the guise of constitutional law, attain results which you know in your hearts will be absolutely fatal to your whole Empire. Under these circumstances I, at all events, can take no responsibility, and I decline to take any responsibility, for this Bill."

He was offered by the Bill a Parliament for the six counties. Ought he to try and kill a Bill containing that proposal with the Act of 1914 upon the Statute Book? In other words, if he helped to kill the Bill he brought into force automatically the Act of 1914. What a nice leader he would be to go to Belfast, call the people there together, and say, "Look here, you made a Covenant; go and get your rifles again, and come out and drill and fight." For what? For the six counties that were offered in a Bill which he could have got without fighting at all. No one but a lunatic would undertake such a performance. Therefore his duty in the matter was clear. He could not vote for Home Rule and he would not vote for Home Rule. At the same time he would do nothing to prevent the passing of the Bill, which at all events as regards Ulster modified the objections to the 1914 Act. It might turn out that, under the Bill, the only part of Ireland that would have a Parliament was the part that had never asked for one.

Causes of Discontent.

The Right Hon. W. Adamson (Leader of the Parliamentary Labour Party) believed that the Bill would fail miserably to

settle this century-old controversy. In addition to being strongly of opinion that Ireland was a nation, just as firmly he believed that Ireland was an economic unit, and anyone who sought to divide it was not the friend of Ireland or of the Irish people. Not only would the Irish people bitterly resent the idea of Ireland being divided into two portions, but statements made in the debate would convince them more firmly than ever that in the terms of the Bill there was no earthly chance of the two parts of Ireland ever coming together. For generations the Irish people had been demanding self-government at the hands of the English and on every occasion that demand had been met by refusal. They had made up their minds now that it was going to be impossible to secure this by constitutional means, and as a result the principles for which Sinn Fein stood had been spreading over large parts of Ireland. Another cause of discontent and dissatisfaction was this country's methods of administration. Over the greater part of Ireland the belief existed that Dublin Castle pursued a policy of calculated provocation. If they wanted to complete the influence of Sinn Fein in Ireland they could not do better than go on with their policy of repression.

Speaking for himself personally and not on behalf of his Party, Mr. Adamson said, "The first thing that, in my opinion, would be a satisfactory solution of this difficulty to the majority of the Irish people, would be the granting of a full measure of Dominion Self-Government, with provision for the protection of minorities, the questions of Defence and Foreign Relations being reserved for the Imperial Parliament. The second alternative, which, in my opinion, would be a satisfactory basis of settlement to the majority of the Irish people is that the form of self-government should be decided upon by an Irish Constituent Assembly, representing the whole of the Irish people and elected on a system of Proportional Representation, which would be charged with the task of drafting the new Constitution and making provision for the protection of minorities, questions of Defence and of Foreign Relations being reserved to the Imperial Parliament. Holding these views, and being convinced that the Bill supplies no settlement of the Irish question, I shall have much pleasure in joining my right hon. friend* and voting against it."

Premier and the Scheme.

The Prime Minister (the Rt. Hon. D. Lloyd George) said the difficulty of the problem was that no proposals which would be acceptable to any party in this country, would be accepted by

* Mr. Clynes, see page 248.

any party in Ireland. The Debate had clearly demonstrated, however, that the Government's plan was the only one that held the field. If they asked the people of Ireland what plan they would accept, by an emphatic majority they would say, "We want independence and an Irish Republic." Was there a single party in the House which would support them? Therefore it was no use talking about self-determination. If Mr. Adamson supported self-determination, he must go the full length of planting an Irish Republic in Ireland. Self-determination did not mean that every part of a country which had been acting together for hundreds of years should have a right to say, "We mean to set up a separate Republic." That was the very thing which was fought for in the Civil War in America. There must be that limitation to the application of the principle, otherwise they might carry it to every area and every locality in every country throughout the world. He now asked the leader of the Labour Party, was he, speaking on behalf of his party, in favour of applying the principle of self-determination to Ireland?

Mr. Clynes : "If an answer is to be exacted, the answer is not self-determination as you have now defined it."

The Prime Minister : "That means that the Labour Party is not prepared to give self-determination to Ireland. That is, if Ireland demands a separate Irish Republic, the Labour Party is opposed to it. If that is so, it is quite satisfactory. But do not mislead Irish electors, either in Ireland or in this country, into the belief that the Labour Party means to concede self-determination." Proceeding, the right hon. gentleman said Mr. Asquith had a plan. It was the Act of 1914, with Dominion Home Rule added on, subject to serious limitations. Mr. Asquith said, "I will give an Irish Parliament to the whole of Ireland, but with county option." That must be a partition of four counties instead of six, but nevertheless it was partition. The right hon gentleman's plan was not accepted by anyone. Sinn Feiners treated it with scorn. Nationalist members would not get up and say they accepted it. The whole of the Ulster members would resist it. What was the use of saying under those circumstances that no plan was acceptable unless Irish opinion would accept it? There was an Irish opinion in the House which was prepared to accept and work the plan of the Bill.

Powers of the Parliaments.

It was said by Mr. Devlin that the Home Rule Parliaments it was proposed to set up under the Bill had not the powers of a municipality. The hon. member really could not have read the Bill. "Let me give to the House," said

the Premier, "a summary of the powers conferred upon both Parliaments by this Bill. They can deal exclusively with the problems of agriculture and agricultural development in all its forms, legislatively as well as administratively. Can he name a single municipality in the Kingdom which has those powers? That is an industry by which two-thirds of the people of Ireland earn their living. The factories of Ireland are under the control of these Parliaments; the workshops, the shops, the railways, and inland transport including the development of inland transport, housing, problems relating to health, insurance (health and unemployment), old age pensions, education, higher, secondary and primary; licensing, law and order after an interval of two or three years. . . . The only exception in this comprehensive description is the Post Office and undoubtedly the Customs and Excise, which directly affect some of these categories. And yet the hon. Member for Belfast speaks about 'this wretched thing,' and says he cannot find words in the English language to describe it."

The Council had been described by Mr. Asquith as a fleshless and bloodless skeleton. But the Bill gave to it the whole powers of private bill legislation and also the whole of the enormous powers which had been conferred on the Government Departments of this country to deal with railways. That was not all. The Council had to meet immediately to consider what services there were for the whole of Ireland that could best be administered by it. "I have no doubt at all that when they meet," Mr. Lloyd George remarked, "always given that the temper of Ireland is such as to make it possible for the North and South to discuss things in a fair and reasonable spirit, a great many of these powers will be handed over to the Council. So I say that it is for Irishmen themselves to clothe it with flesh and blood, and to breathe into it the breath of life." The whole system of government in Ireland was vitiated by the fact that they had severed the people from the law and from government.

Hopes of Union.

"Union!—there is no union," the Premier concluded. "There is union between Scotland and England and Wales. . . . There is no union with Ireland. A grappling hook is not union. How are you going to get it? I am sanguine enough to believe that we will get it through this Bill. I do not say you will get it in a year, or in two years, or in three years. You cannot remove the misconceptions and misunderstandings and bitterness of centuries in a year or two, and Ireland is a country of long memories. In fact it is

one of the troubles of Ireland that it has stuck its roots rather too deep in the past and it has got as you always do into rather poor soil. Ireland needs root pruning. They have got to live more in the realities of the present. But I believe with patience, and that feeling of good humour which I know Britishers can under certain conditions display, and not taking too much notice of mere histrionic displays of disaffection whilst dealing firmly with all real cases of treason and of crime, you will gradually work a union of the North and South, a union of Protestant and Catholic, a union of Britain with Ireland, a real union, good partners in a great concern which all equally alike will be proud of."

The closure was agreed to and then the House voted on the amendment, which was negatived by 348 votes against 94. Thereafter the Bill was read a second time.

NATIONAL FINANCE.

On 13th February, the fourth day of the debate on the Address in the House of Commons, the question under discussion was National Finance. It took place upon the following amendment, moved by Sir A. Steel-Maitland, viz.:—

"But humbly presents to your Majesty its regrets that Government expenditure has been allowed to continue at so high a rate with a consequent depreciation of national credit and increase in the cost of living."

DEBATE IN HOUSE OF COMMONS.

Sir A. Steel-Maitland (Coalition Unionist, *Erdington*), in moving the amendment, remarked that practically every man and woman throughout the country would say, if they were asked, that the real reform for which they were most anxious was a reduction in the cost of living. If the figure 100 be taken for the average cost of living before the War, what had been the cost during the last year? At the time of the Budget, the cost had risen from 100 to 251; by August it had risen to 257; by the end of October to 274; at the end of the year to 297, and he thought there was hardly any doubt that it was now over 300. That was the measure of inflation, and the point of importance was that it was the Government predominantly, by their administration, who could control the amount of the inflation. There had been an excess of expenditure over income, and that had caused the inflation, and the rise in the cost of living. The position in Europe was bad, largely

because the trouble was economic, and it was only better economy in this country that would react upon the state of Europe.

Mr. H. Wilson-Fox (*Coalition Unionist, Tamworth*) hoped that the Government would not lose any time in again setting up a Committee on National Expenditure, for if the operations of that Committee had no other value they certainly acted as a scarecrow. He also hoped that the Chancellor of the Exchequer would be able to announce to the House that day, or at some early date, that it was his intention to advise the Government to set up an Estimates Committee or Estimates Committees without further delay.

The Right Hon. Sir Donald Maclean (*Chairman of the Independent Liberal Party in Parliament*) joined in the request for the setting up of Estimates Committees,* which, he pointed out, was first recommended in 1918. If two Committees came down to the House with their considered opinions on the estimates it would be much more difficult for members to urge additional expenditure on the Government, and the Government would have a really powerful defence against an attack from any part of the House.

An Automatic Process.

The Chancellor of the Exchequer (*the Right Hon. Austen Chamberlain*): "Am I right in understanding that the right hon. gentleman suggests that on the estimates being introduced they should be automatically referred to a special Committee, and should not be taken into consideration by the House until that Committee has reported?"

Sir Donald Maclean said that was the essence of the whole proposal.

The Right Hon. Sir Edward Carson (*Leader of the Ulster Unionist Party*) asked whether it was proposed to send back to the Committee any increased expenditure which was proposed by the House, or any section of the House?

Sir Donald Maclean replied that he did not think that had been considered, and there might be considerable difficulties about it in practice. But he thought, were the increase beyond a certain amount, it might be a very desirable thing to do. Turning to the question of general expenditure and economy, Sir Donald remarked that, compared with the 1914 standard,

* The Select Committee on National Expenditure reported on this subject as follows: "We recommend that at the beginning of each Session there should be appointed, by the customary procedure, two Standing Committees on Estimates, each consisting of 15 members. After some experience of the working of these Committees, it may be found desirable to add a third."

under-production was common to the whole world. The position in Europe was that the manual worker was saying, "I do not see why I should go on working these long hours for wages I consider inadequate, and allow other men to reap the benefits of my labour." That ought to be taken into calculation by those whose business it was to estimate what would be the increase in the world's wealth, say, in twelve months or two years. There had been a most serious disregard by the Government during the past year of the urgent need for cutting down expenditure in the great spending Departments of the State.

Workers and Production.

The Right Hon. J. H. Thomas (*Labour, Derby*) remarked that there was nothing so dangerous to this country as the continual increase in the cost of living, and, as he had stated to the railwaymen, he did not believe the remedy was high wages. He had been driven to meet that increased cost by demands for higher wages, but he had never hesitated to say that it was creating and continuing a vicious system. So far as industry was concerned, he entirely agreed that production was the essence of the question, but the worker said: "Suppose I do work harder, and I do individually produce more, are you aware that I may be thrown out of work next week?" In that matter they had to establish goodwill and confidence among all classes of the people.

The Chancellor of the Exchequer said that to impute to the misdeeds of the Government the present cost of food in this country was not merely foolish, but it was to blind everybody to the only condition which could make an improvement in that situation and distract them from what was a world-wide economic problem.

World Changes.

"Owing to the War, or the circumstances arising out of the War," the right hon. gentleman proceeded, "the world production of a great many essential commodities is short, and simultaneously with that, owing to the new standard of living, the demands for those commodities are greater than ever before. You have a rice-eating population turning over to wheat, and a maize-eating population demanding wheat instead; while there are people who have been accustomed to mixed wheat and maize bread demanding white bread, which we have been accustomed to in this country. Take another illustration of these changes. The sugar production of the world is short. No sugar is coming from Russia, no

sugar from Germany or Austria. The land is out of fettle, and you cannot restore the pre-War crop without time, manure and labour. You have a short crop, and to add to the miseries of the world, the United States go dry."

Mr. Thomas : " To the benefit of the United States."

Viscountess Astor (Coalition Unionist, Plymouth) : " And humanity as a whole."

The Chancellor of the Exchequer : " The United States go dry, and because they no longer consume alcohol they want an immensely increased amount of sugar to make good. Does anyone suppose that on that account they would forego their policy or alter it ? At any rate the effect is distinctly unfortunate in one respect, and for my part I think that a moderate drinker like myself, who gets his own sugar out of the alcohol that he drinks, is a good citizen."

Supply and Demand.

Of course, said the right hon. gentleman, the action of the Government in its conduct of national affairs did have some effect upon credit and upon trade. What were the conditions of returning to a better state of things ? They were, first of all, increased production throughout the world. He did not believe it was necessary that every man should work longer than he ever did before, but while he was at work let him produce the most that he could. On the other hand, let manufacturers consult with their employees and improve their methods of production so as to increase the amount produced and economise the cost. It was only when the supply equalled the demand and exceeded it that they could expect the fall in prices to be really effective.

The first thing the Government had to do was to stop fresh borrowing on revenue account. He believed that they had stopped it ; that the National Debt had reached its highest point ; that henceforward the movement would be down and not up. The next step was to put into the hands of the true investor the large floating debt which was now taken from the money market or from banking credit—in other words, to fund the floating debt. There was no good in trying to do that until they had stopped borrowing. There was no good in trying until they had gone one step further and begun to reduce it, so that the investor knew that the corner really had been turned. When he once realised that, it would be seen that their credit would improve very rapidly. " There is," said the right hon gentleman, " every reason for our being careful ; there is absolutely no reason for our getting into a panic. If we are careful our shoulders are

broad enough and our resources are sufficient to enable us to face all our obligations, to do those things which we have to do—to re-establish our equilibrium, pay our way, provide a sinking fund and begin to make substantial reduction in our outstanding liabilities.”

After further debate, the House divided on the amendment, which was negatived by 188 votes against 44. Thereafter the Address was agreed to.

NAVY ESTIMATES.

Navy estimates for the financial year 1920-21 were discussed in the House of Commons on 17th and 18th March. They provide for a gross sum of £95,590,181 and a net sum (after deducting £12,217,881 for appropriations-in-aid) of £84,372,300, as compared with £157,528,800 in the year ended 31st March, 1920. Provision is made for 136,000 officers and men instead of 280,000. The sum of £4,036,772 is set aside for new construction, being the completion of vessels which were in hand at the time of the Armistice and were so far advanced that the Admiralty decided to continue work upon them. No ships, it was explained, have been laid down since the Armistice and no provision is made in the new estimates for beginning one.

The First Lord of the Admiralty (the Rt. Hon. Walter Long) said that in presenting those reduced estimates it was an undoubted fact that they ran some risk, if risk it might be called; but the Government believed that they could not possibly be exposed to any real risk of a contest for this country's supremacy at sea, if ever, at all events for some time to come. Dealing with personnel, the First Lord pointed out that at the time of the Armistice the strength of the Navy was 407,317, and the strength of the post-war Fleet would be 127,500. Regarding the strength of the Fleets for the future, he remarked that before the War it was generally accepted that the strength of the British Navy ought to be equivalent to that of the two next strongest Powers. There was practically no naval Power to-day which could offer any serious threat of opposition, or indeed any threat, because the principal enemy navies had been destroyed.

The United States Navy.

The naval policies of all past Governments had, at least, included the common principle that the British Navy should

not be inferior in strength to the navy of other Powers, and to that principle the present Government firmly adhered. They were very fortunate in the fact that the only navy approximating in strength to their own was that of the United States of America, with whom they were associated in such a way that the idea of competition in armaments was, to put it mildly, repugnant to all of them. He spoke not merely for the Admiralty, but for the Government, when he said that he hoped and believed if there was to be any emulation between the United States and themselves it was likely to be in the direction of reducing that ample margin of naval strength which they alike possessed over all other nations.

They had sometimes been told that the old distribution of their fleets ought to be altered, but that was not the view of the Admiralty. They still had as their two main fleets the Atlantic and Mediterranean fleets, and it was perfectly easy at any moment, in a very short space of time, to work those two fleets together in such a way as to make the one helpful to the other. There had been discussion over the policy of what was called "Showing the Flag"—that was sending their squadrons of light cruisers into the waters of the world. He was satisfied that it was essential in the interests of trade and commerce, and progress and prosperity that their ships should show the flag in different ports of the world. The Admiralty believed that the Navy they were asking for, and were distributing in that way, was adequate for the work it had to do. It was not the view of his naval advisers and it was not the view, so far as he could find out, of any other great naval country, that the day of the big capital ship was over. It was not only as a weapon of war, or, as they believed at the Admiralty, the decisive factor in the War, that the big ship was required; but, if they were going to maintain the training and personnel of the Navy at the high level at which it had been maintained hitherto, the big ship was absolutely essential.

As to the Air Force, there was no intention on the part of the Admiralty to attempt to depart from the clear and definite policy laid down by the Government, namely, that the Air Ministry was to be an independent department, and that they should look to them for developments of air policy in the future, for the best kind of air machine, the way in which the men had to be trained, and so on. Some advocates of the air suggested that where the two forces were combined the Air Commander was to be commander of the Naval Forces, but to that the Board of Admiralty would offer the most strenuous opposition. They maintained that responsibility and command must go together.

Lord Jellicoe's Reports.

"I should like," the First Lord continued, "to say a word about the great cruise which Lord Jellicoe made. In some quarters it has been stated that we ought long ago to have expressed our views as to what we mean to do in respect of his reports. If hon. Members saw those reports, I do not think they would criticise them. They are very long, they require very careful examination, and they involve very great considerations. . . . Whatever may be the view of His Majesty's Government as to our policy for the future in connection with the Dominions, you will do nothing in the way of working out a real scheme until you are able to meet here in London, discuss this round a table and talk it over with the representatives of the great Dominions—and then, possibly, you will arrive at some business-like conclusion. To produce some hasty scheme, simply because we are told we ought to have action in respect of these reports, would be a criminal action, not only by this country but by the Dominions.

"It must not be thought we have been idle. We have been in communication with the Dominions on many subjects. We have made one or two steps, small, but important. I hope on our naval staff we shall have the advantage of representatives of the views of the Dominions, who will work with us in connection with great naval staff questions. . . . You must go slowly in all these future developments of our great Dominions. They have accepted immense responsibility, they have made heroic sacrifices, they are bearing great burdens, and they will not be hurried into doing anything which may be calculated to interfere with their absolute right of controlling their own affairs. We must approach this subject slowly and cautiously, and I am satisfied that the best solution of this great question of a combination of all the Empire in one great naval provision will be found most safely and most satisfactorily by the sort of conference I have indicated, rather than by hasty discussions or debates or announcements by the Board of Admiralty."

Greater Reduction Urged.

The Right Hon. Sir Donald Maclean (Chairman of the Independent Liberal Party in Parliament) said the Navy compared favourably with any other Department in the efforts at demobilisation and economy, but there was much room for improvement. He believed it would be perfectly safe for the country to go in for much larger reductions than were at present contemplated.

After further discussion the House agreed to the formal motion to go into Committee of Supply on the estimates.

On the Vote in Committee for the men of the Navy, **Major-General the Right Hon. J. E. B. Seely (Liberal, Ilkeston)** moved to reduce the number to be employed by 100, and urged the need for some form of co-ordination between the three fighting Services. The proper course would be to revive the Committee of Imperial Defence in a better form, giving it wider powers, with a vice-president who would be responsible for seeing that the different views of land, sea, and air were properly accommodated before any action was taken. The neglect of the Air arm in its application to the Navy was scandalous.

The First Lord of the Admiralty said the Admiralty were anxious to have the Committee of Imperial Defence set up with as much rapidity as possible. They were extremely anxious also that in addition there should be a definite arrangement under which the staffs of the great fighting Departments should meet regularly for consultation and to work out as far as possible a common policy.

The Right Hon. H. H. Asquith (Leader of the Independent Liberal Party) also took the view that there ought to be machinery for closer co-operation and more continuous concentration of the staffs of the great defensive Services.

On a division the amendment was negatived by 194 votes against 18 and the Vote was agreed to, as was also a Vote for money for the Navy.

ARMY ESTIMATES.

Army estimates for the financial year 1920-21 make provision for a net expenditure of £125,000,000. The total establishment provided for is 525,000 officers and men, but this number is in process of reduction to 280,000. The expenditure is divided thus :—

Provision for Army on basis of 1914-15 establishment	£55,000,000
Terminal charges of the war	29,500,000
Extraordinary provision for garrison of occupied territories	40,500,000

Charges under the main heads are expected to be as follows :—

Maintenance of Standing Army	£68,481,630
Territorial and Reserve Forces	12,530,000
Educational, etc., establishments and hospital depots, etc.	9,630,000
War Office, Staff of Commands, etc.	4,066,000
Terminal and Miscellaneous charges and receipts ..	27,307,000
Half pay, retired pay, pensions, and civil superannuation	5,289,000

Sums estimated at £47,000,000 and £34,000,000 respectively due from Germany for the maintenance of the Rhine Army, and from the Dominions

for the maintenance of their forces in the field, are not appropriated in aid of Army Estimates, but will be brought to account as revenue, when received. For the cost of the Army Reserve £2,200,000 is provided. It is estimated that the maximum number of Reservists drawing pay as such in 1920-21 will be 140,000.

The Territorial Force is estimated to cost £8,147,150 (less £10,150 recoverable from sales), this total being made up as follows :—

Permanent Staff	£1,132,000
Grants to County Associations .. .	875,000
Buildings and ranges	400,000
Cost of training	2,341,500
Bounties and outfit grants	579,000
General charges including stores	2,819,650
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Total	£8,147,150
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War Secretary's Statement.

There was a full discussion on Army questions in the House of Commons on 23rd February, when a Vote on Account of £75,000,000 was moved.

The Secretary of State for War (the Right Hon. Winston Churchill) opened the statement he made to the House by announcing that on 31st March Conscription would be abolished, and within a month from that date the last conscript was entitled to be released from the Army. The vast process of demobilisation would then be completed. In the interval they had succeeded in raising and organising an entirely new volunteer Army, which by the time conscription lapsed would, they estimated, number about 220,000 men, exclusive of those serving in India. In other words, they had recruited in a single year what was, broadly speaking, the pre-War Regular Army, and had organised the additional troops needed to discharge their temporary and new liabilities. The only other great nation whom they had succeeded in persuading to abolish conscription was Germany, and that was only under dire compulsion.

Over a long period of years the peace and order of the British Empire was maintained by about 75 battalions abroad and 75 at home, with the due proportion of the other arms. That was in principle what they were striving to reproduce in future years. "Of course," said Mr. Churchill, "it is idle to pretend that the pre-War Army was proportionate to the risks which we had to run or to the enemies with whom we came in collision. Nor was it proportionate to the important part in European diplomacy which we played and to which we aspired. The British Army before the War was provided for garrisoning India, for garrisoning our fortresses abroad

and our Dependencies, and any expeditionary force available for Europe was just made up out of the spare parts of that machinery, grouped together in the best manner that could be devised. Anyhow, you always get under an estimate in voluntary recruiting; so much so, that when the War broke out the policy of recruiting had forced our establishment 8,000 below its proper strength. That is why the removal of the German danger does not in itself enable any reduction to be made in the strength of the British Army for garrisoning the Empire."

New Responsibilities.

New and serious responsibilities overseas, temporary and permanent, had, Mr. Churchill went on to state, been placed upon this country in consequence of the War. No further relief from the burdens they had to bear throughout the Middle East—Constantinople, Egypt, Palestine, Persia, and Mesopotamia—could be looked for until a real peace was made with Turkey. But they had decided to take an optimistic view, and had therefore made provision in the estimates which involved, during the financial year ending 31st March, 1921, a reduction of the garrisons in the Middle East to half their present strength, and the termination of their financial burden in regard to Constantinople about half way through the financial year. If events took a different and less favourable turn, those arrangements would have to be altered. They required to keep in Ireland during the year 35,000 effectives—as against 25,000 before the War—and that meant about 40,000 men altogether. That difference was being met by a transference between the forces in Great Britain and Ireland.

Any obligation which might be entered into by this country separately, or in conjunction with the United States, to aid France and Belgium in the defence of their territories during the period of the occupation of the Rhine was an entirely new obligation, such as this country had never in pre-War days foreseen, and for which the military organisation had never in any way been adapted. That was a grave matter which must be decided between the Governments. It would constitute an obligation requiring, if the worst came to the worst, the whole armed exertion of the nation. Certainly it was not an obligation which could be fully discharged within the limits of the provision they were making at the present time. As to the normal Army, they had to pay £55,000,000 for the same military establishment as cost, before the War, £28,000,000, but the pay of the Army, which had been multiplied by two and a half times, accounted for over one-third of the whole expenditure.

Air Force Development.

He could not at the present time quite accept the view of those who said or wrote, "Halve your Army and quadruple your Air Force," but it was an interesting hypothesis. "I favour the steady increase of the Air Force at the expense of the Army and the Navy," said the right hon. gentleman, "and I believe that will be the tendency increasingly year by year; but I am sure that any such increase should only take place in proportion as the Air Force is actually able to discharge blocks of day to day duties which are in fact discharged by the Army and the Navy now, and in proportion as it is able to give us the assurance that in an emergency it will afford the same solid if somewhat prosaic foundation for our safety. I am anxious to give the Air Force an opportunity of substituting air power for military power wherever substantial economy can be shown and provided the work can really be done.

"We have had an example of the possibilities of the Air Force recently in the Somaliland campaign, which for a cost of about £30,000 achieved much more than we were able to do in one expedition before the War for an expenditure of over £2,500,000, which would be £6,000,000 or £7,000,000 of the present currency. That campaign was particularly interesting because it was the first time the Air Force was in command and where the ships and the military, or the ground forces and the sea forces, co-operated under the general direction of the aerial command. I propose to apply that principle to another field. I have directed the chief of the Air Staff to submit an alternative scheme for the control of Mesopotamia, the Air Force being the principal force or agency of control, while the Military and Naval forces on the ground and river would be an ancillary power."

Tanks.

Speaking of tank warfare, Mr. Churchill observed that the most surprising developments in tanks had taken place since the War. "There is," he remarked, "less difference between the first crude production of a tank in 1915 and the best tank which fought in the Great War than there is between the best tank in the Great War and the tank we have in existence to-day. By the adoption of springs and other mechanical devices a speed of 20 miles an hour, which is a great deal faster than a fox hound, can be attained across country over hedges and ditches and so forth, and one thousand miles have been run without any appreciable wear and tear in the gear. This tank weighing 30 tons is able to

pass over a brick lying on the road without crushing the brick, so delicate is the mechanism."

"It is also thought that the heat inside the tank would preclude its use in India and other tropical countries, but I can assure the House that the engines to these new tanks exercise a refrigerating effect, and that consequently the interior will be agreeably cool by comparison with the outer atmosphere. On the other hand the methods of anti-tank warfare have also made a profoundly significant advance. A new form of grenade has been devised which can be discharged from the ordinary rifle capable of inflicting mortal injury on the wonderful little instrument which I have just described. . . . Whether the tank by increased speed, by the use of smoke, by increased protection, and by some other devices can maintain its ascendancy cannot yet be foreseen. Of course its value against all enemies unprovided with these special means of offence will remain. The whole subject, however, is highly experimental and we should be most unwise to commit ourselves to any large programme of tank construction, involving heavy expense, until much more definite results can be reached and the whole practical aspect of this new war weapon has been further examined."

Dealing with the organisation of the Army, the right hon. gentleman stated that the Territorial Force would not be liable to be embodied unless and until the Army Reserve had been called up by Royal Proclamation to meet a grave emergency. It would not be liable to be sent out of the country unless it had been embodied and a special Act of Parliament passed authorising its departure.

£15,000,000 Reduction Proposed.

The Right Hon. F. D. Acland (*Independent Liberal, Camborne*) moved to reduce the amount of the Vote by £15,000,000. He said it was for this country by word and deed, in season and out of season, to show that never again would a disastrous race for armaments be allowed to go on.

Major-General the Right Hon. J. E. B. Seely (*Liberal, Ilkeston*) believed that the estimates were much larger than they needed to be. The Secretary for War had made out a fairly good case, in view of this country's immense added responsibilities, that unfortunately, a very large amount of military force was still required; but, despite the lessons of the War, they were reforming the Army on pre-War principles. As the Army was shrinking to a tenth of its size the only wise line was to make it more and more scientific. He drew attention to a very remarkable state-

ment of the Prime Minister's at the end of the previous Session :—

What would happen if we had another war baffles the imagination. Discoveries made almost at the end of the War, if they had been used, would have produced horrors indescribable—discoveries by ourselves, by the French, and by the Germans. If we are to have a repetition of that, civilisation may well be wrecked, and the world be driven back, not to a condition of the middle or dark ages, but to something which the world has never conceived of in its most imaginative moments.

If military power was capable of doing these astonishing new things, how came it that they were going to spend the gigantic sum of £125,000,000 on the old-fashioned things? He was glad they had increased the number of their machine guns, but he knew they had not increased them enough; and as regarded the division between aerial and military power, he thought the discrepancy was deplorable.

At the close of a lengthy debate the amendment to reduce the sum was negatived by 215 votes against 52. The Vote on Account was then agreed to.

Army topics were further discussed on 22nd March on the motion to go into Committee of Supply on the Estimates, and, in Committee, on the Vote for men, which was carried by 178 votes against 38.

AIR ESTIMATES.

Air Force estimates for 1920–21 show a net expenditure of £21,056,930, or a reduction on the revised estimates for the last financial year of £32,973,920. The net total includes a gross War liability of £6,876,000 and War credits amounting to £992,000, making a net War charge of £5,883,500. With the deduction of this last sum, the net normal anticipated expenditure is brought down to £15,173,430, distributed thus :—

Pay, etc.	£4,310,500
Quartering, stores (except technical), supplies and transport	1,985,000
Technical and warlike stores ..	2,772,850
Works, buildings, and lands ..	2,785,000
Air Ministry ..	877,000
Miscellaneous effective services ..	100,000
Civil Aviation ..	894,540
Experimental and research services..	1,381,540
Half-pay, pensions, and other non-effective services ..	67,000
Total ..	£15,173,430

The estimates include provision for a squadron with the necessary repair and replacement facilities which forms part of the Force of Occupation on the Rhine, and is estimated to cost £170,000. Although the cost of this squadron is repayable by Germany, no credit to Air votes is provided for, as it is contemplated that any ex-enemy repayments will be credited directly to the Exchequer.

Discussion on the estimates took place in the House of Commons on 11th March, when

The Under-Secretary of State for Air (Major G. C. Tryon)* moved to go into Committee of Supply. The administration of all the Services of the Air both for peace and war, he said, was now united in a single Ministry. The reduction of the force from a war to a peace footing had gone on most rapidly. From a total of 164,000 a year ago they would at the end of the month have come down to 34,280, whilst their normal strength was 31,500. At the beginning of 1919 there were five rigid and 87 non-rigid airships in commission and 14 stations. They were being reduced to a peace footing of one rigid and three non-rigid airships with one permanent station. The Colonial Governments were acquiring non-rigid airships for various purposes, including forest patrol and general survey work.

The Department of Controller-General of Civil Aviation was created a little more than a year ago and was under the able guidance of General Sir Frederick Sykes, who had done most valuable work. The International Air Convention had been signed by Australia, New Zealand, South Africa, India, and 25 other countries. Legislation would shortly be introduced to give effect in this country to the terms of the Convention.

Separate Air Ministry.

Lieut.-Colonel A. Burgoyne (Coalition Unionist, Kensington, N.) moved an amendment in these terms :—

In the opinion of this House, with a view to promoting the wider efficiency of the Air Services for both military and commercial purposes, the Royal Air Force should be placed under the control of an independent Department of State presided over by a Minister directly responsible to Parliament for his policy.

Mr. A. Baldwin Raper (Coalition Unionist, Islington, E.) seconded the amendment.

The Rt. Hon. Lord Hugh Cecil (Coalition Unionist, Oxford University) was convinced that it was a bad plan to unite in a single person the Secretary of State for Air and the Secretary

* Major Tryon has since been appointed Under-Secretary to the Ministry of Pensions and Lord Londonderry has been appointed Under-Secretary of State for Air.

of State for War. Mr. Churchill might be followed by some man with much less interest in the air and much less versatile energy, and less capable, therefore, of bearing the double burden. Some Secretaries of State for War, at any rate, would fall under the military influence of their Army adviser. If that were so, the Air Force would at once sink into a department of the Army, and the worst of departments—a step-child.

The Secretary of State for War (the Right Hon. Winston Churchill) invited supporters of the amendment to show him a single step which could have been taken to assert the independence and integrity of the Royal Air Force during the last twelve months which had not in fact been taken on his responsibility. He had a strong public interest which led him not only to defend the present arrangement, but to advise the House not to disturb it at the present time. The public interest was the smooth working of the two Services, and the building up of an independent Air Service working harmoniously with the Army and the Navy. If the control of the two Services was kept under one Minister that could be done and in his judgment it was the only way it could or would be done.

On a division the amendment was negatived by 206 votes against 55, and the motion was agreed to.

Subsequently, in Committee of Supply, the various Votes comprised in the Estimates were carried.

COAL MINES NATIONALISATION.

On 11th February, an amendment to the Address was brought forward in the House of Commons by the Labour Party in the following terms:—

“But regrets the absence of any proposal to nationalise the coal mines of the country on the lines recommended by a majority of the members of the Royal Commission on the Coal Industry, which was appointed for the purpose of advising the Government on the best methods of reorganising the industry in order to secure economy in management, greater safety in working, and maximum output.”

DEBATE IN HOUSE OF COMMONS.

The Right Hon. W. Brace (Labour, Abertillery), moving the amendment, said that the refusal of the Government to be bound by their pledges in connection with mines nationalisation had a most disturbing effect on British organised Labour. The Labour Party thought that if they made good their case

before the Commission the Government would accept nationalisation of mines as a principle, and introduce legislation to give effect to it. The demand was made, first, in order to secure economy in management, and there were two clauses in the report of Mr. Justice Sankey* which, under a system of nationalisation, would prevent the mining industry being brought under any kind of bureaucratic control.

Safety in Working.

Next, they supported nationalisation because they wanted to have greater safety in working. The miners' industry, do what they would, was a dangerous industry. The average death rate for the last nine years was 1,407, or four every day.

Mr. Vernon Hartshorn (Labour, Ogmores): "Sundays and weekdays."

Mr. Brace: "Yes, Sundays and weekdays; and 517 are hurt every day, or one every three minutes, and one miner in every six employed is injured every year. . . . We are of opinion that so long as we have a system at work where profit is the dominating factor in the industry we shall not be able to have that regard for the sacredness of human life which we ought to have." They supported nationalisation also, said Mr. Brace, so that they might have the maximum output, which could not be attained without the creation of a better system and a better spirit. In 1918 there were 158 strikes and lock-outs, with a loss of 1,183,000 working days. The Government and the Prime Minister could delay nationalisation of the mines; but, because of economic necessity it was as inevitable as fate.

The Miners' Scheme.

The right hon. gentleman outlined the scheme under which the Miners' Federation suggested that nationalisation should be worked:—

Creation of a Local Mining Council, or pit committee, for every pit in the United Kingdom.

The council to consist of ten members, viz., the manager, under-manager, and business manager; four representatives of the workmen at the pit; three members elected by the District Mining Council to represent the public interest.

An arrangement under which strikes and lock-outs would, as far as possible, be obviated.

Division of the United Kingdom into fourteen separate districts and formation in each of a District Committee.

Chairman and vice-chairman of the District Committee to be appointed by the Minister of Mines; four members to be elected by

* Chairman of the Royal Commission on the Coal Industry.

ballot of the workmen ; four by the managerial side ; and four by coal consumers.

The District Committee to manage the whole of the collieries in its district.

Creation of a National Council with the Minister of Mines as president, and a Standing Committee of eighteen.

“ We propose,” Mr. Brace further explained, “ to buy the mines not with money, but with paper. On the appointed day you will inform the shareholders of companies that they must send their scrip up to London, and in return you will send them a Government Bond. . . . What is to be the price ? That is the real crux of the matter. Set up an impartial and fair tribunal and let that tribunal fix a fair price to be paid to the shareholders for their collieries. . . . I assure the House, on my word of honour, that there is a feeling among the mining population that they will not produce to the last ounce of their capacity simply to add to the profits of private individuals. They are prepared, however, to produce to the last ounce of their capacity to give to the nation and to the humanity of the world all the coal which they require.”

Syndicalism and Bolshevism.

Mr. C. B. Stanton (*National Democratic Party, Aberdare*), speaking as one who had worked in mines for 13 or 14 years, and had acted as a mining agent for 12 or 13 years, said he had advocated nationalisation of the mines, but had never suggested that it should be done for a class. They now discovered that the nationalisation asked for was more like syndicalisation and Bolshevism. The proposal did not, in his opinion, arise from a healthy desire to improve the conditions of the workers of the country, or to prevent their exploitation by profiteering or any other means, but from an underhand and under-world desire to do an injury to the future well-being of this country.

Mr. William Lunn (*Labour, Rothwell*), said the Labour Party believed the mass of the people was anxious for nationalisation of the coal industry. There could be no settlement of the question short of nationalisation. “ I am sufficiently interested in the idea that it should be settled in a constitutional manner,” said the hon. member, “ to feel that I would rather this House took advantage of the offer that is made to-day in the amendment, and that the Government should declare itself favourable to nationalisation. . . . I think it is this Government’s last chance to-day to say whether or not they are prepared to nationalise the mines. I am convinced of this, that the conference that is to be held within a few days will decide very definitely according to the answer given

by the Government to-day. It may be that the decision will be for a great national strike.* . . . You may prepare for it, as we gather it is being prepared for, in the provision of machine guns and tanks and all such things as that for the miners and other workers when they come out on strike. That will not affect it at all. The fight will go on, because we intend that the mines shall be nationalised."

"A Dangerous Proposal."

The Prime Minister (the Right Hon. D. Lloyd George) described the amendment as a "very serious and dangerous proposal." It was called a demand for nationalisation of mines; but that was exactly what it was not. Nationalisation was not merely public ownership, but public management. Mr. Brace had said that men would be serving the public instead of serving private interests, so they would work harder; as the right hon. member put it, instead of working for profit they would be working for humanity. "There are men," Mr. Lloyd George proceeded, "who are working in offices, in works, in the post office, civil service, trams, electricity, and my right hon. friend is under the impression that they are all consumed with a daily and a nightly desire to increase output in every branch, burning with patriotic zeal. . . . It was a pretty picture, and he used all his Celtic imagination to adorn it, but I am afraid that it does not altogether conform to the ruthless facts of everyday life. I do not say they work worse; I do not say they give less work; I am not here to condemn them. They have got difficulties, but I do not believe anybody who compares the quantity of work, the fervour of work, the intensity of work, and the output of work under public service in the cause of humanity will come to the conclusion that private enterprise suffers from the point of view of production."

A system such as Mr. Brace proposed to set up would, Mr. Lloyd George continued, discourage development.

* The special Trades Union Congress was held in London on 11th March and decided against resorting to direct action for the purpose of enforcing nationalisation of the mines. The voting was:—

For trade union action (a general strike)	..	1,050,000
Against .. .. .	..	3,870,000
Majority against .. .. .	..	2,820,000
For political action (intensive political propaganda in preparation for a General Election)	..	3,732,000
Against .. .. .	..	1,015,000
Majority for .. .. .	..	2,717,000

Development in the mining industry was the most speculative of all. He knew that in recent years the margin of speculation had been considerably narrowed. There had been improved methods of ascertaining whether there was a vein or valuable seam, and the speculation was not perhaps quite as risky as it was a generation ago. With all that there were examples all over the country of men who had spent huge fortunes, of men who had attempted to develop seams which had been regarded as certainties, and of fortunes lost and coalfields derelict. Did anyone imagine that a committee would embark on any enterprise that was not absolutely essential to increase output in this country? Mr. Brace said that as long as profits were made they would not get the incentive to work. There had never been an increase of profit, at any rate in recent times, in which the miners had not shared. If Mr. Brace eliminated private profit, he eliminated one of the great incentives for all classes of the community.

Disaster to the Community.

The real scheme of the Miners' Federation was one that would practically give control of the whole of the mines of the country to the Miners' Federation. That would be a disaster to the community and in the end it would be a misfortune for the miners themselves. He was glad to be able to boast that the loss per thousand in the mines of this country, whether in killed or injured, was less than in Germany or the United States. In the United States the average death rate of miners in 1912 was 3·26 per thousand; in Germany it was 2·51; in New Zealand it was 2·39; and in the United Kingdom it was 1·18. That was high enough. It ought to be diminished, and if anything could be done, he agreed it should be done. He agreed that there ought to be some kind of special department which would have charge of the mining interests of the country. He also agreed that it was desirable in the matter of safety, in the matter of conditions and comfort of working, that the miners should have some organised means by which they could contribute their store of experience, counsel, and advice, not merely to the State, but to the management. The special department ought to have an advisory council representing miners, mine-owners, and consumers for the purpose of advising it.

The Government had already committed themselves to the promise of a Bill to be introduced for the nationalising of the coal royalties of the country. In addition, they proposed that out of the compensation fund a levy should be made for the purpose of creating an amelioration fund to improve the conditions of life in the mining industry. The Government

were not proposing merely a negative to nationalisation ; they were proposing a constructive scheme for improved conditions in the mining industry.

After further debate, the amendment was negatived by 329 votes against 64.

LABOUR PARTY AND THE GOVERNMENT.

A debate took place in the House of Lords on 24th February, on a motion by the Earl of Selborne to draw attention to the "demand by the Labour Party that the present Government should carry out its policy, and to the negotiations between it and the Government which are constantly occurring in this connection."

DEBATE IN HOUSE OF LORDS.

The Earl of Selborne, who opened the debate, and moved for papers, said that in the forefront of the Labour Party's policy at the present time was the nationalisation, especially, of the coal industry. But the whole foundation of Labour Party politics was the nationalisation of all the means of production, distribution, and exchange. The Labour Party had a right to aim at that policy, but they made the extraordinary and unprecedented demand that a party holding wholly different opinions should carry their policy into effect. How had the Government dealt hitherto with that claim of the Labour Party ? During the last two or three years the Prime Minister had met deputation after deputation on the subject in Downing Street, first from the miners, next from the railwaymen, then from some combination of the "Triple Alliance."* It was quite clear that no motive but that of patriotism could have led the Prime Minister to take the leading part he had assumed during these years in negotiations with the Labour Party.

Loss of Authority.

He asked the Government, however, whether on the whole they thought that method of dealing with the claim of the Labour Party had been successful. It seemed to him that the Prime Minister had lost prestige, that the Cabinet had lost authority, and—what was much more important—that the House of Commons had lost authority. He could not help

* The Labour "Triple Alliance," viz., the Miners, the Railwaymen, and the Transport Workers.

thinking that these negotiations had been an indirect encouragement to an increasing claim for the settlement of such questions outside the House of Commons. After speaking of this as "a most dangerous tendency," the noble Earl remarked that all the authority and the prestige lost by the Cabinet or Parliament in these years appeared to have been gained by the Labour Party. It was an odd thing that there was no party in the country so clamant against secret diplomacy as the Labour Party; yet, when it came to its own political concerns, there was no party that more consistently conducted all its operations in the densest secrecy.

If he were asked to lay down any general rule on the subject—and he was well aware that they could not deal with such delicate questions by general rule—he would say that no Prime Minister ought to discuss burning subjects of political controversy with the Opposition Cabinet anywhere else than on the floor of the House of Commons. What was really the claim of the men who were preaching "direct action"? They wanted to force their views on the nation whether a majority or a minority of the nation agreed with them. Surely Parliament never contemplated that an organisation, formed entirely for the purpose of trade unionism as it was understood in the old days, should be used for purely political ends, and possibly revolutionary ends, and that the men who directed that movement should be equally irresponsible before the law in their political action as they had hitherto been in their trade union action. If one read the literature emanating from the revolutionary section of the leaders of the Labour Party one saw that it was full of class bitterness. "Let it go out from our House to-day," said the noble Earl, "that we, for our part, do not reciprocate that class bitterness, even in the case of the most extreme men who attack us most unjustly and most undeservedly."

Seeking for a better State.

Viscount Haldane said he had not joined the Labour Party, but he was in great sympathy with certain purposes with which it had associated itself. The Labour Party was making great progress in the winning of elections in this country, but he did not think it was as near coming into power as many people imagined. It had given itself up neither to syndicalism nor to bureaucracy. What it was seeking was a larger spirit in the administration of public affairs. It had many shortcomings—it was a young party and a new party—but it was very earnest in its great ideals. It was seeking for a better State, for hours of leisure, not for pleasure, but to enable those who had them to develop themselves; and for that purpose

it was seeking to educate the workers as no other party was doing.

Lord Sydenham observed that the Labour policy in regard to Russia had been loudly proclaimed and accompanied by threats of serious strikes if it was not carried out by the Government. When they remembered what had actually happened it was difficult to believe that the policy of this country in some respects had not at least been deflected by the insistence of Labour's demands. If the policy of this country in relation to Russia was allowed to be the subject of bargaining with Labour in its present mood, then their national honour would, in his opinion, be fatally compromised.

Lord Askwith asked: "Have the Government any policy for Labour?" If there was a policy, it should not be settled by secret negotiations and then be sprung upon the country.

Lord Chancellor's Speech.

The Lord Chancellor (Lord Birkenhead) said that Lord Sydenham was wholly in error if he discerned the slightest symptom that any modification in the policy of the Government in relation to Russia had been produced from first to last by pressure of any kind by the Labour Party. They must, the Lord Chancellor proceeded, draw a clear distinction between the Labour Party and the actual bodies that had been interviewed by the Government.

The Earl of Selborne remarked that the Trades Union Congress, which he always understood to be the Parliament of the Labour Party, had held a watching brief in respect of the negotiations, and had been called together from time to time to consider their effect. Therefore, he thought he was justified in calling them negotiations with the Labour Party.

The Lord Chancellor said he thought not. It was necessary to point out, because it was fundamental, that the Trades Union Congress had a different membership from that of the Labour Party. It had entirely different functions, and on at least eight vital points it had exhibited a different policy. It had frequently passed votes of censure on the Labour Party. The Parliamentary Committee of the Congress had been, not only recently, but for many years, in the habit of sending deputations to every great public department. In regard to the twelve terrible months which succeeded the War, when the whole fabric of their industry and credit seemed as if it would totter before the menace of fundamental Labour unrest, to say that the Prime Minister was not to see the body which of all others represented the trade unions was to use the language of insanity.

He supposed the gravamen of the charge was that the Government had been influenced by the discussions that had taken place. Of course, the discussions had proceeded upon the basis that each side *bona fide* were desirous of learning the case of the other side. But if the suggestion was made that the Government had unduly done so—that he absolutely denied.

National Industrial Conference.

“I have here,” his lordship continued, “every single case in which the Parliamentary Committee has waited upon Ministers in the course of the last twelve months. . . . It is no exaggeration to say that in no single case have they carried their main points. It is true that in no single case have they failed to obtain modification, in the matter of detail, of that for which they asked.”

Negotiations as to industrial and social legislation between the Government on the one hand and the employers and trade unions on the other, were, he said, conducted through the agency of the Provisional Joint Committee of the National Industrial Conference, which was summoned in February, 1919. Of all the experiments which had succeeded the War, that, in his opinion, was one of the most promising. “We have adopted the course of calling into existence a permanent machinery in which employers and trade unions alike are represented, and in which the Government meets both, in order to discuss proposals for industrial and social legislation. . . . Of course, legislative initiative is always taken by the Government, but such measures as the Unemployment Insurance Bill and the Industrial Courts Act had their origin in drafts jointly made by, and suggestions and counter-suggestions put forward at the meetings of, this Committee. We have received enormous help from this Committee in industrial legislation, and we have not the slightest intention of departing from our policy in this matter.”

On purely industrial matters affecting a particular industry negotiations had taken place frequently between the Government and the representatives of the particular industry. It should not be forgotten that those who asked for interviews and discussions were in the majority of cases men who had exercised their whole influence during the last twelve months or two years in the direction of preventing industrial strife. Let there be no illusions about the attitude of the Government towards the policy of the Labour Party. There had been no negotiations of a character to which Lord Selborne would be likely to object—certainly there had been no exercise of political pressure by the Labour Party upon the Government—

but they would continue to furnish convenient channels and conduit pipes by which men qualified and authorised to speak on behalf of Labour would be able to place themselves in constant contact with the Government.

Unbridgeable Gulf.

"I desire . . . to speak of the Labour party . . . with respect, and I have already noted with pleasure that, fundamentally and taking it as a whole, it has as closely at heart the interests and the welfare of this country as any other party. But while I say that, I wish to make it clear that it seems to me that there is an unbridgeable gulf dividing the Labour Party from most of us. They have definitely, and as I understand it irrevocably, committed themselves to a policy which, as it seems to us, paralyses and destroys private initiative, industry, and resource. We are bold enough to found ourselves upon the lessons of history as we read history, and we believe that the greatness of this community and the greatness of every other community in the world's history has been founded upon private initiative and its maintenance."

At the close of the debate the motion for papers was withdrawn.

COAL MINES (EMERGENCY) ACT.

The Coal Mines (Emergency) Act received the Royal Assent on 31st March. Introduced in the House of Commons by the President of the Board of Trade, the measure may be regarded as the first instalment of the legislation promised during the Session in relation to the coal industry. In November, 1919, a Bill was laid before Parliament which proposed to permit colliery owners to retain as profit 1s. 2d. per ton of coal raised, but it met with considerable opposition and was dropped. The new Act, which is to continue in force until 31st August, 1920, provides that the profits of all coal mines shall be aggregated, and

(1) If the aggregate exceeds the aggregate of the total pre-war standards of all the undertakings, the undertakings will receive an amount equal to the pre-war aggregate, plus one-tenth of the remaining profits.

(2) If the aggregate is less than nine-tenths of the aggregate pre-war standards, the sum distributable is to be increased by an amount equal to the deficiency.

In determining the sum distributable there will be deducted from the aggregate profit the administrative expenses of the Board of Trade and

any payment by the Coal Controller under the Defence of the Realm Regulations or the Coal Mines (War Wage Payment) Directions.

The following provisions are made for the distribution of profits :

- (a) If the profits of an undertaking exceed the standard, the excess will be assessed on and collected from the owner for the purposes of the coal levy :
- (b) If the profits are less than the standard, or, there is a loss, the amount required to make up the profit or loss to the amount of the standard is to be paid to the owner by the Coal Controller.

Coal levy will be assessed and collected by the Commissioners of Inland Revenue, in the same manner as the excess profits duty. The Controller is empowered to make advances for the purpose of enabling the output of a mine to be maintained, or for any other purpose. Any such advance will be a first charge upon the assets of the undertaking in priority to any mortgage or other charge thereon, and will be recoverable as a debt due to the Crown.

DEBATE IN HOUSE OF COMMONS.

The second reading of the Bill took place on 17th February.

The Parliamentary Secretary to the Board of Trade (Mr. W. C. Bridgeman) recalled the fact that control was established on coal in South Wales at the end of 1916 and in the whole country early in 1917. In 1918 an agreement was reached between the owners, the miners, and the Coal Controller, called the Coal Mines Agreement, which was subsequently ratified by an Act. The object of that was to provide in some way for the distribution of profits. At that time there was very little difference in the prices of home and export coal, and if they had remained anywhere near the same there would not have been the necessity for any alteration of that agreement. But the price of export coal went up enormously last year, and the effect of that on the agreement of 1918 had been to give enormous advantages to those coalowners who by their geographical situation were able to export, and to do great injustice to those who were obliged to sell their coal inland at low prices. For that reason it was impossible that the agreement should be allowed to remain as it was.

In 1919 they had the Sankey Commission, and the interim Report which recommended the Sankey wage, and the limitation of profits. At the end of last year, in order to carry out the pledge that had been given to follow up the interim Sankey Report, the Bill called the Coal Industry Emergency Bill was introduced. It was withdrawn because it had not very many friends and because those who represented the miners told the Leader of the House that they did not think the limitation of profits to 1s. 2d. a ton was any part of the pledge that they expected him to keep. Therefore it became necessary to find some other method of dealing with the finances up to the end of

March, 1920, and also to the time when the Coal Control Agreement must naturally come to an end on the 31st August this year, and this Bill was introduced with that object. The most valid objection that was taken to the 1s. 2d. Bill was that which was put forward by Mr. Hartshorn when he said that as things stood control would entirely come to an end on the 31st March, and that no provision had been made for regulating the industry from that time onwards. That objection the Government were meeting by the present Bill, and by the undertaking given by the Prime Minister to introduce at the earliest possible moment another Bill for the regulation of the industry.

He was not in a position to anticipate the exact provisions of the second Bill, but it would be on the lines of the general agreement which existed for the better management of the coal industry. They might hope that unless there was some great alteration in export prices, or in the quantity exported, during the remaining five months of the period covered by the present Bill, the amount in the pool would very considerably exceed the pre-war standard. Whatever remained in the pool would be left in the Coal Controller's hands, and it would be for the Government, with the approval of the House of Commons, to decide how that money was to be spent. The Prime Minister had suggested that it might be spent on the purchase of mining royalties.

The Labour View.

The Rt. Hon. W. Adamson (Chairman of the Parliamentary Labour Party) said they had reached the stage when they must have a system of pooling in the mining industry. He objected to the Bill on the ground that it provided for the system of pooling and extended the period of control only till 31st August, 1920. They were told that the Prime Minister had given an undertaking that another Bill would be introduced shortly which would put matters on a sounder footing. That Bill should have been introduced before the House was asked to consider the present measure, which provided for a very substantial increase in the profits of the coalowners.

Mr. Vernon Hartshorn (Labour, Ogmores) said they were very concerned about the future policy in regard to the coal industry. During the war they had to a very considerable extent nationalised the working conditions and wage arrangements. Any attempt to apply private enterprise economics to the mining industry in the future was bound to lead to disaster. He hoped the House would decline to pass the Bill until the Government brought before Parliament their coal policy, not merely for the temporary period, but for the future.

Mr. Stanley Holmes (*Independent Liberal, Derbyshire, N.E.*) moved the rejection of the Bill.

The amendment was negatived by 279 votes against 61, and the second reading was then agreed to. The measure was referred to a Standing Committee for examination, and the report stage in the House of Commons, which was begun at a late hour during the sitting of 18th March, resulted in an all-night sitting. The Bill was read a third time on 23rd March, and was subsequently passed through the House of Lords.

COAL PRODUCTION BILL.

Lord Gainford—a prominent member of the Mining Association of Great Britain—formally presented in the House of Lords on 24th March a Bill “to make better provision in the national interests for the production and development of coal and certain other minerals.”

The Bill provides for the establishment of a Mines Department under the Board of Trade, of a mixed Advisory Committee (including representatives of consumers) and of a Sanctioning Authority which shall have the power to issue compulsory orders for the working of minerals.

It is proposed that the Mines Department shall take over all the powers and duties exercised by any Government Department in connection with mines and minerals.

The Advisory Committee is to be composed in equal proportions of representatives of Royalty Owners, Colliery Owners, Miners and Consumers, and is to be appointed by the Board of Trade. The Sanctioning Authority is to be chosen from a panel of thirty qualified individuals nominated by a Joint Committee of Selection on behalf of the two Houses of Parliament.

Where the production of minerals is being impeded in a fashion unfavourable to national interests, an application for working powers may be made to the Board of Trade, which may refer it to the Advisory Committee, and on the latter's report, may make recommendations to the Sanctioning Authority.

Except in cases where a point of principle is raised (which may require procedure by Private Bill), the Sanctioning Authority shall have power to make a compulsory order for enabling minerals to be worked and for requiring the compliance of landowners and others concerned. The compulsory order may include provisions for the assessing of compensation.

While an application is before the Sanctioning Authority, the latter may issue an injunction for six months against any dealing with the minerals or land affected.

All inquiries into applications are to be held in public, and the parties may be represented by Counsel. The costs of applications are to be paid as directed by the Sanctioning Authority.

Application for a compulsory order may be made either by responsible individuals or by the Board of Trade in their favour. Plans of abandoned

mines are to be sent within a specified time to the Secretary of State, and records of boring are to be sent to the Geological Survey.

The Bill applies to mines of stratified ironstone, shale and fireclay, as well as to coal mines.

UNEMPLOYMENT INSURANCE BILL.

On the last day of the Session of 1919 the Minister of Labour introduced the Unemployment Insurance Bill to extend insurance against unemployment, on a contributory basis, to substantially the whole employed population between the ages of 16 and 70, with certain exceptions. A full summary of the proposals appeared at page 73 of the first number of the JOURNAL (issued in January, 1920). The Bill, with slight modifications, was re-introduced on 16th February, and was brought on for debate in the House of Commons on 25th February.

DEBATE IN HOUSE OF COMMONS.

The Minister of Labour (the Right Hon. Sir Robert Horne),* moving the second reading, said if they could once get rid of the dread of unemployment which affected the minds of the working men of the country they would be able to create a new spirit of harmony and happiness. Insurance was one of the best known expedients for the purpose, and it was upon the road of insurance that this country had already progressed. It had become obvious to everybody that insurance against unemployment must be much more widely extended than it had been in the past. There were only 3,750,000 out of all the workpeople of the country under the two previous insurance schemes. The proposals now made would bring the number insured up to about 12,000,000. There were excepted from the scheme people engaged in agriculture and in domestic service. But there was machinery in the Bill to enable the people in those two occupations to be included at any time if that was thought wise and proper.

In facing the problem afresh there were two great questions to which they had to apply their minds. They were:—

(1) Whether they would have a contributory or a non-contributory scheme.

* Sir Robert Horne was appointed President of the Board of Trade, in succession to Sir Auckland Geddes, the new British Ambassador to Washington, on 19th March. His successor at the Ministry of Labour is the Right Hon. T. J. Macnamara, late Financial Secretary to the Admiralty.

(2) Whether they would pool the resources of all the trades and make one contributory scheme.

The Government came to the conclusion that the only possible scheme was one on a contributory basis. Any non-contributory scheme would impose a financial burden on the State which, at the present time, the boldest and most audacious person would hesitate to face. Further, a non-contributory scheme might induce an employer to work on short time, or take advantage of lapses in the industry to play for safety rather than work his full machinery.

Solidarity of Industry.

In connection with the second point it must be remembered that all trades acted and reacted upon each other. The Government had recognised the solidarity of industry by making all the industries support each other. On the other hand they had provided a scheme of contracting-out which would enable an industry, if it thought it could do better for itself than under the general scheme, to provide a special scheme of its own. The contracting-out must be on a wide basis and cover a genuine industry. It was obvious that contracting-out would be adopted by some industries because they calculated they would have less than the average unemployment. They would leave in the general scheme the industries that had the greater risk. Accordingly, what the Government said was that while the State gave one-third of the joint contributions of employer and workman under the general scheme, in the case of an industry which contracted out it would only give 10 per cent.

It was incumbent that the contracting-out scheme should adequately secure the benefits to the workpeople. Therefore it was provided that there must be a joint board of management, that a joint insurance fund must be set up, that the accounts should be subject to Government audit and that the whole machinery should be subject to the approval of the Ministry of Labour. Some hon. members might be inclined to ask, What about men transferred from one industry to another? "It would be possible," Sir Robert said, "for a man who had genuinely taken his place in another industry to take his insurance against unemployment to that other industry. But you cannot be engaged in the wool trade and at the same time become a member of a cotton industry scheme. You may join a cotton trade scheme if your employment has changed into that industry. Similarly, you can go back to the original scheme if you leave an industry which has contracted out. This is one of the great features of

the scheme we are now proposing, which differentiates it from the previous measures of insurance."

Supplementary Insurance.

"We also provide that there may be opportunity for supplementary insurance. Questions might be asked, for instance, about the building trade and the occurrence of wet days. Under this measure we shall make it possible for the building industry to set up a supplemental scheme to make provision against that or any other special vicissitude of the industry."

There was under the old Unemployment Act, the right hon. gentleman pointed out, an arrangement that the people who were working in the same shop as men who were on strike, although they themselves were not strikers, should not receive benefit. That had been, and was at the present time, the subject of a good deal of controversy; but he had come to the conclusion that they could not make any better arrangement than the old one. One of the new proposals was that railway fares should be advanced out of the Unemployment Fund to people who were out of employment and who wished to take up employment elsewhere. The proposal was based upon the experience of the War. In conclusion, the right hon. gentleman mentioned a fear entertained by friendly societies that as most trade unions had now become approved societies for the purpose of working the Health Insurance Act, members would tend to leave the friendly societies in order to take their health benefit and unemployment benefit from the trade union. Although they had trade unions managing approved societies, the great bulk of their members were still loyal to the old friendly societies, and accordingly he thought the fear the latter expressed would not materialise.

Duty of the State.

The Right Hon. J. R. Clynes (Labour, *Manchester*) said hon. Members would agree with the sentiment that the best thing to do with unemployment was to prevent it. If employers, through their conduct of present-day industry, were not able at certain periods to provide men with the full opportunity of earning a living that they required, it became the duty of the State so to supplement and organise trade and business as to make work a certainty and not merely a chance. Whilst, in his judgment, the Bill did not proceed on the right lines in principle, in practice it was likely to go far to relieve the poverty and distress which would otherwise occur. He hoped the Minister of Labour would show himself able to

consider whether the workman should not be relieved of the contribution demanded from him by the Bill. There was a great deal in the view that the failure of industry to provide full and continuous work for men willing to labour was a defect which ought not to impose a charge upon the workman, but should be carried by the industry itself.

He urged the necessity of increasing the amount of the benefit beyond 15s. per week, which, he remarked, at the present moment, did not represent more than 6s. pre-War value. He put to the Labour Minister the injustice which the Bill proposed to continue on workmen who were unemployed through no fault of their own in connection with recurring trade disputes. Workingmen, whether skilled or not, had a perfect right to press their claim for unemployment pay when they were unemployed if the cause was not their own fault. That surely was the right line of demarcation. He had heard no adequate statement yet giving reasons for the exemption of agriculture as a whole. The Labour Minister might expect that the strongest efforts would be made by Labour to secure amendment of the measure.

“We shall on the whole accept it,” added the right hon. gentleman, “as something which will considerably more than double the number of persons who are now insured to some extent against unemployment. That is a provision which further increases the acknowledgment of the responsibility of the State towards the mass of workers, and so far as it goes in those directions, it is going in the right direction. Therefore we shall have even his goodwill in any effort we may make to improve, both in principle and in detail, a Bill which, with all its limitations, we welcome from this side of the House.”

Claim of Ireland.

Mr. J. Devlin (*Irish Nationalist, Belfast, Falls*) asked why the Bill was not applied to Ireland. Why was the gaunt spectre of unemployment, which haunted the homes of the poor in Ireland as well as in England, still to overshadow the Irish people? As the Labour Minister seemed to him the only man of any common sense in the Cabinet, the best thing he could do was to tell the Cabinet to withdraw their Irish Education Bill, which nobody wanted, and to include Ireland within the provisions of this Bill, which everybody in Ireland wanted.

Mr. G. Locker-Lampson (*Coalition Unionist, London, Wood Green*) moved the following amendment:—

“This House, while desiring to afford additional unemployment insurance, declines to set up new machinery for this purpose which will incur heavy and unnecessary expenditure, and is of opinion that the

benefits and contributions for unemployment should be added forthwith to the National Health Insurance Scheme."

The hon. member said the amendment was moved merely for the sake of economy and efficient administration. The whole desire of the people of this country who were anxious for economy was to get the staffs of Government-paid officials cut down. Staffs of the approved societies had for many years been administering health benefits, and could perfectly well take on also the administration of the unemployment benefit.

Lieut.-Colonel N. Raw (*Coalition Unionist, Liverpool, Wavertree*) seconded the amendment.

Sir Allan Smith (*Coalition Unionist, Croydon*) did not think there was a single employer in the country who denied that provision ought to be made for unemployment, either in the way of preventing it, or by compensation when it occurred; but there were numbers of employers, and very important sections of the community, who said that unless there was some demonstration of willingness to give that output which alone would avoid unemployment, there should be no compensation or consideration, as unemployment was really caused by the restriction of output.

Further debate ensued, and, subsequently, the amendment was withdrawn. The Bill was, thereafter, read a second time, and a motion by Mr. Adamson that it should be committed to a Committee of the whole House was negatived by 137 votes against 37. The Bill accordingly was sent to a Standing Committee for examination.

NATIONAL HEALTH INSURANCE BILL.

The Minister of Health formally presented in the House of Commons on 1st March the National Health Insurance Bill, which amends in various respects the Acts of 1911 and 1918. The main object of the measure is to provide for an increase in the rates of benefits under the Acts in view of the fall in the value of money.

The Bill increases the normal rate of sickness benefit from 10s. to 15s. a week in the case of men, and from 7s. 6d. to 12s. a week in the case of women; the rate of disablement benefit from 5s. to 7s. 6d. a week for both men and women; and the amount of maternity benefit from 30s. to 40s.

It retains the fundamental principle of the National Insurance Act of 1911, under which the cost of the benefits is met out of compulsory weekly contributions by workers and their employers together with a grant of a specified proportion from the Exchequer.

In order to provide for the increased benefits* the joint weekly contribution is increased from 7d. to 10d. in the case of men, and from 6d. to 9d. in the case of women, and in each case 2d. of the increase is to be borne by the employer and 1d. by the worker.

The proportion of the cost of benefits to be contributed by the State is two-ninths in the case of men as at present, and two-ninths (instead of the present one-fourth) in the case of women, with an additional Exchequer contribution towards the cost of women's benefits in the form of an increase in the present Women's Equalisation Fund.

Contribution Rates.

Proposed new rates of contribution in Great Britain (in Ireland the scale is slightly reduced) are as follows :—

In Ordinary Cases : To be paid by employer a week, 5d. ; to be paid by contributor, men 5d., women 4d.

In Case of Low Wage Earners : In the case of employed contributors of either sex, of the age of eighteen or upwards, whose remuneration does not include the provision of board and lodging

* There was issued on 12th March, as a White Paper, a report by Sir Alfred Watson, Government Actuary, on the financial proposals of the Bill. This stated that, according to the best calculation that can be made, the number of insured persons at July 5th next will be 15,850,000, comprising 10,850,000 men and 5,000,000 women. Of the men 300,000, and of the women 150,000, are deposit contributors. The estimated amount of contributions payable under the present Acts in respect of this number of insured persons is £20,525,000 per annum, and the addition of 3d. per week in the joint contribution of employer and employee (in Ireland 2½d.) proposed by the Bill increases this sum to £29,750,000. The apportionment of these sums between employers and insured persons is as follows :—

			Employers.	Insured persons.
At present	£9,225,000	..	£11,300,000	
As proposed	15,350,000	..	14,400,000	
Increases	£6,125,000	..	£3,100,000	

On the basis of past experience, and subject to certain other conditions, it is estimated that the expenditure on benefits in the year beginning July 5th, 1920, will amount under the present Acts, to £20,357,000, and under the provisions of the Bill to £28,653,000. The distribution of these amounts (which are exclusive of additional Exchequer grants-in-aid in respect of medical benefit and analogous services) is given as under :—

	At present.		As proposed.		Increase.
Men	£14,278,000	..	£20,080,000	..	£5,802,000
Women	5,813,000	..	8,227,000	..	2,414,000
Deposit contributors	266,000	..	346,000	..	80,000
Totals	£20,357,000	..	£28,653,000	..	£8,296,000

Under existing conditions the annual charge on the Exchequer is £5,770,000. Under the Bill it will amount to £6,942,000.

by their employer, and the rate of whose remuneration does not exceed 3s. 6d. a day, the following are the rates :—

Where the rate of remuneration does not exceed 2s. 6d. a working day :

To be paid by the employer for men a week, 9d. ; for women, 8d. To be paid out of moneys provided by Parliament, 1d.

Where the rate of remuneration exceeds 2s. 6d. but does not exceed 3s. 6d. a working day :

To be paid by employer, 6d. ; to be paid by contributor, men 4d., women 3d.

Power is given to the Minister of Health to withdraw certificates exempting certain forms of employment from the operation of the Acts if he is satisfied that the provision made for sickness and disablement is on the whole not equal to the benefits now proposed. This power relates specially to employment under the Crown or any local or other public authority, and employment as a clerk or other salaried official in the service of a railway or other statutory company.

Under the Act of 1911 power was conferred on approved societies to submit schemes to vary the benefits in certain cases. The Bill confers on the Minister authority to revoke such schemes if he thinks fit on the ground that the benefits provided are not equal in value to those to be paid under the Bill.

Sanatorium Benefits.

Sanatorium benefit is no longer to be provided under the scheme of National Health Insurance, except in Ireland.

The Bill empowers the Minister of Health to make regulations providing for the disposal of any surplus standing to the credit of the sanatorium benefit fund of an insurance committee after discharging all liabilities, or for meeting any deficit in the fund. Regulations are also to be made to govern the disposal by insurance committees of registers, records, or other documents relating to the administration of sanatorium benefit or to persons who have been in receipt of it.

The expression " Medical treatment and attendance " is to be held to include treatment and attendance in respect of tuberculosis.

Various amendments of the financial provisions of the Act of 1911 are proposed. The sum to be retained by the Minister of Health out of each weekly contribution is increased in the case of men to twopence and one-third of a penny and of women to one penny and eleven-twelfths of a penny.

In consequence of the present general increase in the cost of medical services the Bill provides for an increased contribution from insurance funds towards the cost of medical benefit and fixes the total charge upon those funds at 9s. 6d. per insured person per annum for medical benefit, including drugs as well as attendance, and a further sum for this purpose will be provided in the shape of a special grant out of public funds.

An approved society will be required to pay to the insurance committee for administration expenses a sum of 4d. in respect of each person entitled to medical benefit.

DEBATE IN HOUSE OF COMMONS.

The Bill was discussed in the House of Commons on 22nd March.

The Minister of Health (the Right Hon. Dr. Addison), moving the second reading, referred to the proposal to take sanatorium benefit out of the Act. That was only the first part of a comprehensive policy under which the Ministry proposed to deal with the whole problem of tuberculosis in respect to all sections of the population. A fund was provided, roughly equivalent to 2d. per insured person, which it was proposed to use for the employment of medical referees and consultants. The position was that cases which had been a long time on the sick benefit list, and other specified cases, could—at the behest of a society, of the insured person, or of the medical man—have the benefit of a consultant or referee provided under the scheme. In order to deal with such cases many societies had spent at least 2d. per insured person in employing referees on their own account.

Medical men with whom he had conferred recognised that in many respects, in certain places anyhow, the practice for insured persons had not been as satisfactory as it should be. He hoped that under the improved medical benefit regulations which were coming into operation, and with the assistance which the medical consultants must necessarily give, they would steadily improve the quality of the service. “The standard which I laid down, and which was accepted by the Central Medical Committee,” said Dr. Addison, “was that the practitioner should give to the insured person as good, as complete, and as frequent attendance as he gives to an ordinary private patient. In connection with this there were considerable negotiations. I made an offer of 11s. to cover these various costs, and ultimately, in consequence of the difference between us, this was referred to an independent board of arbitrators. I am happy to say that the arbitrators confirmed my figure, and their decision was the 11s. I had proposed.”

Treatment of Panel Patients.

Mr. T. Myers (Labour, Yorkshire, Spen Valley) said the practice of the Insurance Act had a long way to go before it reached in many respects the service given by medical men to private patients. “Unfortunately,” the hon. member remarked, “there has developed in the public mind, and among those who are insured persons, an idea that there are two standards of treatment. It is a matter of common knowledge that some medical men have taken one part of the

day for ordinary patients and another part of the day for panel patients, and sometimes have cut off panel patients for given days in the week. It was not expected that the provisions of the Act would be carried out in that fashion, and it is hoped that this practice of giving one method of treatment to panel patients and another method to private patients will be discontinued."

There ought, Mr. Myers declared, to be a limit to the number of patients any medical practitioner could take into his panel. Even in industrial towns the present distribution of patients among the doctors was altogether irregular. He was disappointed at the figure of the maternity benefit. It ought at least to have been doubled. Another point was that provision ought to be made for insurance contributions to cease before a person reached 70 years of age. Under the pressure of modern conditions very few people were able to follow an industrial employment until they were 70. Even if they were, they had done their share long before that, and should be relieved of the responsibility of paying National Health Insurance contributions.

Lieut.-Colonel Sir A. Warren (*Coalition Unionist, Edmonton*) said that although the approved societies had earnestly endeavoured to work the Act, yet none of their officials had ever been in any sense adequately paid.

Mr. Trevelyan Thomson (*Independent Liberal, Middlesbrough, W.*), speaking of tuberculosis benefit, said the defect of the Act was that treatment could only be given to insured persons, and that their children and others who did not come within the scope of the Act were excluded. He asked for an assurance from the Minister that until the National scheme was established the benefits which were in existence under the Insurance Act should be continued, so that there would be no interregnum during which those who were now in receipt of benefits would be deprived of them.

Lengthening Life.

Captain W. E. Elliot (*Coalition Unionist, Lanark*) stated that the hospital system of the country was crying out for new treatment. "Many of the benefits of the Insurance Act," he said, "would have been illusory but for the hearty co-operation of the great voluntary institutions of the country. . . . The hospitals of the country ought to be increased in number and size instead of finding themselves faced with the prospect of actually closing down their wards because they have not enough money."

The people of this country were healthier than the people of any other civilised country of the world. They had, on

the average, longer lives than the people of France, Germany, or even the United States. Since the Franco-German war, science in this country had added five years to the life of every one of their 40,000,000 inhabitants. If the Health Ministry could give them a lead he believed they could still add from 10 to 15 years of life and full mental and physical activity for everybody in the country. "We have," said the hon. and gallant member, "been calculating on indemnities from our late enemies, but we should try to win greater indemnities from victories over the kingdom of death. These are worth securing, and would be better than adding to our debt and having to rescue the starving people of Austria and Germany. We should get for the money spent a great return in the added strength of our young men and women."

The Minister of Health having briefly replied, the Bill was read a second time and committed to a Standing Committee.

PROTECTION OF INDUSTRIES BILL.

In the House of Lords on 17th March, Lord Balfour of Burleigh called attention to Chapter IX of the Report of the Committee on Commercial and Industrial Policy after the War and the Special Report on Essential Industries.*

In order to give effect to the Committee's recommendations, the noble Lord presented a Bill to prevent dumping and to establish a Special Industries Council. The anti-dumping clause provides that :—

Where it appears to the Board of Trade that the prices habitually charged by the consignor of any class or kind of goods imported into the United Kingdom, or that the prices at which imported goods of any class or kind are usually sold or offered for sale in the United Kingdom, are less than the prices at which goods of the same class or kind are sold in the ordinary course of business in the country of origin, the Board may, by order, prohibit the importation of such class or kind of goods, except under such conditions as the Board may order, and such goods shall be deemed to be goods prohibited to be imported under Section 42 of the Customs Consolidation Act, 1876.

The proposed Special Industries Council is to consist of not less than five and not more than nine persons of commercial and industrial experience, appointed by the President of the Board of Trade, who will also nominate the chairman. The members of the Council will hold office for five years.

* Lord Balfour was chairman of the Committee which was appointed in 1916 "to consider the commercial and industrial policy to be adopted after the war, with special reference to the conclusions reached at the Economic Conference of the Allies."

Special industries are defined as those supplying commodities essential to the national safety, as being absolutely indispensable to important industries carried on in the United Kingdom, and entirely or mainly supplied from abroad. It will be the duty of the Council to watch the course of industrial development, and, in consultation with the Department of Scientific and Industrial Research, and any other Government department interested, to advise the Board as to the promotion and assistance of the following special industries and any others which in the opinion of the Council come within that category :

Production or manufacture of synthetic dyes, synthetic drugs, spelter, tungsten, magnetos, optical and chemical glass, illuminating glassware, scientific and optical instruments, hosiery needles, thorium nitrate.

DEBATE IN HOUSE OF LORDS.

Safeguarding Key Industries.

Lord Balfour of Burleigh said the point with which he was specially concerned was that industries of importance for the country's national security and well-being should be sufficiently safeguarded. He was of opinion that the Special Industries Board must be attached to the Board of Trade, that it should be required to present an annual report, and that it should be given the power to set up Special Industries Sub-Committees which should get all the information necessary. The War had revealed that they had in this country ability, power of research, power of invention and capacity, but they needed to be roused to the necessity of using their ability and power. According to the information given to the Committee it was at least doubtful whether in normal circumstances they would be able to continue the production of various articles in future if they had to meet the unrestricted competition of old-established German firms, and that, unless some assurance was given, their manufacturers would hesitate to instal expensive plant.

In the case of the prevention of dumping they were in a much more controversial atmosphere. A great deal would depend on the definition of "dumping" and he had never seen a better one than that adopted in the report of the Committee. It was in these words :—

The sale of imported goods in the country into which they are imported, at a price below the price at which similar goods are sold for consumption in the country of origin.

That definition was accepted by the Board of Trade last year. It was also, broadly speaking, the definition adopted by Canadian, South African, and American anti-dumping legislation. He knew only too well that any reference to fiscal policy always ran the risk of arousing acute controversy,

but he did not want them to be the slaves of abstract principles which were exalted in some quarters into a sort of gospel.

Opposition Views.

Earl Beauchamp said that those who were still convinced Cobdenites felt that the Bill was inapplicable to the circumstances of the day. Before any industry was included in the schedule of the Bill, or any special protection was given to it, there ought to be the most searching consideration in both Houses of Parliament in order to make quite certain that it was deserving of some special measure of protection. After referring to the operation of anti-dumping legislation in Canada, Australia, South Africa, and the United States of America, the noble Earl remarked that what had happened in other countries was not very hopeful for them in this country. Dumped goods were cheap goods and it was cheap goods they wanted in this country at the present time.

Lord Sheffield observed that they had had some illustration of what the action of the Government meant in interfering with some of those industries which were thought to be vital. He did not think the experience of the Government with reference to spelter should encourage them to wish the Government to meddle much further in that way. The contract that was made with the zinc producers of Australia in 1916 or 1917 had never yet been disclosed to the country. All they knew was that the Government contracted for a fixed price, which should never be lower than the market price, and might be higher. Such was the contract made by the Government that the chairman of the company, who boasted that he himself was a whole-hogger Protectionist, said that though the Government had not declared itself Protectionist openly, it had given him all the protection he could ask for in confidence.

The Lord Chancellor (Lord Birkenhead) said that the view taken by Lord Balfour of Burleigh on dumping and the protection of key industries was accepted without reservation by the Government.

The Bill was read a first time without a division, and Lord Balfour of Burleigh said the second reading would be taken after the Easter recess.

SILVER COINAGE ACT.

The Silver Coinage Act received the Royal Assent on 31st March. Its object is to restore the token character of the silver coinage. When the Bill was presented by the Chancellor of the Exchequer on 12th February, it was prefaced

by a memorandum which sufficiently explains the character of the new legislation :

Owing to the rise in the price of silver from its pre-war level of something under 30d. per ounce to the present price of about 88d. per ounce it is not possible to mint British silver coins except at a loss. It is proposed by the Bill to reduce the fineness of the silver in the coins hereafter minted from 925 fine to 500 fine. With silver at 88d. the intrinsic value of a one shilling piece 500 fine will still be considerably more than the intrinsic value of a one shilling piece 925 fine in July 1914.

DEBATE IN HOUSE OF COMMONS.

During the second reading debate in the House of Commons on 18th February,

Professor C. Oman * (*Coalition Unionist, Oxford University*) said the Chancellor of the Exchequer was endeavouring to change what had been the rule for 1,200 years. British silver currency from the time of Offa onwards had, with the exception of fourteen unhappy years, always been good silver. Instead of waiting a reasonable length of time to see what silver was going to do, the right hon. Gentleman produced that extraordinary Bill to do what no Minister, except the Ministers of Henry VIII. and Edward VI., ever thought of doing—debase British coinage.

The Chancellor of the Exchequer (the Right Hon. Austen Chamberlain), replying, said that what he proposed was a simple and common-sense application of their past practice to existing conditions, and there was no need to fear disastrous consequences. Although he by no means anticipated that the whole of the immense rise in the price of silver would be long retained, he thought it extremely unlikely that they would get back to anything like the pre-war level for a long time to come. When the price of silver was 66d. per ounce then the silver of their silver coins was more valuable than the legal value of the coin, and it became profitable, if it were not illegal and punishable by severe penalties, either to export the coin and sell it, or melt it down and use it as bullion. As long as their silver coin was worth more when melted and sold as bullion than as legal tender they were offering a premium on the commission of an offence in the melting of the coin. What was now proposed was to go back to what had been their practice for many years and restore the token character of the silver coinage.

The Dominions.

The Bill did not affect any coins except the coinage of the United Kingdom. There were other parts of His Majesty's

* Now Sir Charles Oman.

Dominions which used their coins. In the case of the self-governing Dominions, in order to make it perfectly clear that they would not act except upon the advice of the local Governments in making this coinage legal tender there, he proposed to put down an amendment in Committee. He had taken some trouble to ascertain whether an issue of small notes would be acceptable to the country. As a matter of fact, he had a large stock of 5s. notes and smaller notes printed in case it might be necessary to issue them. The result of his inquiries, however, was a unanimous reply from employers and workpeople alike that they did not want paper notes for small values.

The Bill was read a second time and went to a Standing Committee for consideration. It was read a third time on 11th March.

DEBATE IN HOUSE OF LORDS.

On 23rd March the measure came on for second reading in the House of Lords.

The Under-Secretary of State for War (Viscount Peel) explained its provisions. With reference to the application of the change to the Dependencies and Dominions where British silver coinage is used, he pointed out that under the Coinage Act of 1870 this could be done already by Proclamation, but it was thought unnecessary that so many Proclamations should be made. Therefore it would be automatically applied to the Dependencies where the silver coinage was used, but not to the self-governing Dominions, who would have the right by Proclamation to allow these silver coins to circulate when they chose.

The Marquis of Salisbury asked whether any inquiry had been made of the Dominion Governments, or of their representatives in this country, as to whether they would be willing to issue such a Proclamation.

The Under-Secretary of State for War replied that New Zealand, South Africa, and the West Indies had agreed. Canada had her own silver coinage, and had passed legislation reducing its fineness. Australia made her own silver coins, and was also altering her local legislation. In West Africa coinage was regulated by the West African Currency Board, which issued a silver shilling of special design, and that particular coin was, of course, not affected by the Bill.

The second reading was agreed to and later the Bill was passed through its other stages, becoming law, as stated, on the day of the adjournment for the Easter holidays.

MATRIMONIAL CAUSES BILL.

The Matrimonial Causes Bill, introduced by Lord Buckmaster in the House of Lords, was read a second time on 24th March after a debate occupying portions of two sittings. The measure is based on the recommendations contained in the majority report of the Royal Commission on Divorce and Matrimonial Causes.* It proposes to repeal various existing Acts, including the Matrimonial Causes Act, 1857, and the Summary Jurisdiction (Married Women) Act, 1895, and to re-state the law in a form embodying all the principal recommendations of the Royal Commission.

Decentralisation.

The Bill provides that local sittings of the High Court shall be held for the purpose of dealing with matrimonial causes as defined by the Bill, viz., proceedings for divorce, permanent judicial separation, decree of nullity of marriage, decree of presumption of death, restitution of conjugal rights, temporary separation orders, and maintenance orders. The jurisdiction of the High Court sitting locally is, however, confined to cases where the joint assets of the husband and wife, after payment of debts, do not exceed £250 in value and their joint annual income £300 in value.

The Lord Chancellor may appoint not more than ten county court judges or other persons qualified to be Commissioners of Assize to exercise at local sittings of the High Court the functions of a judge of the High Court. All proceedings in the High Court in matrimonial causes shall, subject to provisions with respect to appeals, be heard before a judge sitting without a jury.

Where a British subject domiciled in England or Wales is resident in any British possession, and has obtained from a court of competent jurisdiction in that possession a decree or order of divorce, permanent judicial separation, or nullity of marriage, he may apply to the High Court to register that decree or order. Where a woman who is a British subject domiciled in England or Wales marries a foreign subject, and the marriage is subsequently declared invalid by a court of competent jurisdiction in the foreign country of which the husband is a subject, the High Court may grant a decree nisi of nullity of marriage notwithstanding that the marriage was valid according to the law of the place of its celebration.

Grounds for Divorce.

Any married person may apply to the High Court for a divorce on any one or more of the following grounds, that is to say, that the defendant

- (A) Has since the marriage committed adultery ;
- (B) Has deserted the applicant for a period of at least three years ;
- (C) Has since the marriage treated the applicant with cruelty ;

* The Commission sat for three years under the chairmanship of the late Lord Gorell and reported in November, 1912.

(D) Is incurably insane, and has been for a period of at least five years immediately preceding the application continuously kept in confinement under the law in force relating to lunacy ;

(E) Is an incurable habitual drunkard, and has for a period of at least three years been separated from the applicant under a temporary separation order made under the Act on the ground of habitual drunkenness ; or

(F) Is undergoing imprisonment under a commuted death sentence.

Any of the following circumstances constitute an absolute defence to any proceedings for divorce :—

(A) That the application is made or prosecuted in collusion with the defendant or with a co-defendant ;

(B) Where the application is made on the ground of adultery, that the applicant has in any way been accessory to or connived at, or has condoned the adultery in question, or has been guilty of such wilful neglect or misconduct as has conduced to the adultery ;

(C) Where the application is made on the ground of cruelty, that the applicant has condoned the cruelty in question ;

(D) Where the application is made on the ground of insanity or habitual drunkenness, that the applicant has been guilty of such wilful neglect or misconduct as has conduced to the insanity or habitual drunkenness ; and

(E) Where the application is made on the ground of insanity, that the defendant is, in the case of a man, over sixty, and, in the case of a woman, over fifty years of age.

Any of the following circumstances constitute a discretionary defence to any proceedings for divorce :—

(A) That the applicant has during the marriage committed adultery, or treated the defendant with cruelty, or deserted the defendant ;

(B) That the applicant has unduly delayed making or prosecuting the application.

Nullity.

Any married person may apply to the High Court for a decree of nullity of marriage on the grounds :—

(A) That the marriage has not been and cannot be consummated owing to the incapacity of either party or wilful refusal of defendant ;

(B) That the defendant was at the time of marriage or within six month's thereafter of unsound mind, or at the time of marriage subject to recurrent fits of insanity or epilepsy ;

(C) That the defendant was at the time of marriage suffering from venereal disease in a communicable form ;

(D) That the defendant was at the time of marriage pregnant by some person other than the applicant.

In paragraphs (B), (C) and (D) the Court must be satisfied that applicant was at the time of marriage ignorant of the facts alleged, and instituted proceedings within a year of marriage.

Presumption of Death.

Any married person having reasonable ground for believing the other party to the marriage is dead may apply to the High Court for a decree

nisi of presumption of death. On this being made absolute, the applicant shall be entitled to marry again. Absence for seven years or upwards is *prima facie* evidence that defendant is dead.

DEBATE IN HOUSE OF LORDS.

Moving the Second Reading of the Bill on 10th March,

Lord Buckmaster said it was impossible that a report of such value as that of the Royal Commission should be simply thrown on to the rubbish heap and no steps be taken to test the opinion of Parliament as to whether or not the recommendations should be carried into law. Reviewing the provisions of the Bill, Lord Buckmaster remarked that the proposal for decentralisation was the attempt made by the Commission to give effect to the grievance felt by poor people at the expense and difficulty of sittings centralised in London. With regard to the abolition of the existing powers of Courts of Summary Jurisdiction to make orders for permanent separation, the Commission recommended that the orders should be limited to two cases—cruelty and habitual drunkenness—that the power to make them should be limited to two years only, and that further extension of that period, if necessary, should be made by the High Court, or that proceedings for divorce based upon the order should take place.

As to the grounds for divorce, his Lordship said that if the equality between a man and his wife was accepted as a principle that should be established in law with regard to matrimonial offences, adultery would become a ground for divorce by a woman in the same way as it was by a man. With regard to desertion, it was defined by the Commission in a manner which prevented it being regarded as mere separation owing to some quarrel or transient dispute. He had always found it difficult to understand why desertion, thus defined, should be regarded with hesitation by people who recognised that for certain causes divorce must be granted. After touching upon the grounds of cruelty, habitual insanity, and habitual drunkenness, Lord Buckmaster said the recommendations with regard to nullity were very important. As the law stood to-day, if a man on the eve of his marriage found that his wife was pregnant by another man he had no redress; he was compelled to live with her. That seemed to him to be a relic of ecclesiastical law. Another case was where a marriage was not consummated owing to incapacity or wilful refusal.

He knew quite well, he added, that it was impossible to hope that anything like common agreement could be reached.

Rejection Moved.

Lord Braye, moving the rejection of the Bill, said that he, and those who thought with him, absolutely disagreed

with the principle of the measure. Although it looked as if it was doing a great deal of good and was prompted, as no doubt it was, by the most humanitarian motives, the Bill was, in their view, doing the reverse and facilitating the commission of the greatest crime which the Decalogue condemned.

The Archbishop of York said that he was in agreement with a great deal in the Bill. There were many matters upon which the Royal Commission, on which he was an assiduous member, were unanimous. There was urgent need of reform in many matters connected with costs, with procedure, and with the practice of the Courts.

The practice of the Courts of Summary Jurisdiction in giving orders which amounted to judicial separation had led to the greatest abuse, and one of the best clauses of the Bill was the one in which the power of granting these permanent orders was withdrawn to the High Court. There were also provisions in respect to nullity which were of real importance, and with which personally he agreed. He did not think there ought to be any difficulty about accepting the provision enabling a spouse who had been deserted, or who had failed to hear of husband or wife for seven years, to apply to the Court for an order of presumption of death.

Above all the Royal Commission was unanimous in its conclusion that the time had passed when the existing inequalities of men and women with regard to divorce must come to an end on the ground that it was a position consonant neither with morality nor with justice. If Lord Buckmaster had brought forward a Bill to embody those large and important measures of reform he would have found him his supporter and not his critic; and he could not but regret that the noble lord did not adopt a Bill embodying all those matters upon which the Royal Commission was unanimous. If the new and far-reaching proposals with which he could not agree were removed from the Bill in Committee its main scope and character would have gone. He was therefore compelled to ask their lordships not to vote for the second reading. Admirable as some of its provisions were, he believed that the Bill would tend to weaken the stability of marriage.

After further speeches the debate was adjourned until 24th March.

Government's Attitude.

When the debate was resumed upon Lord Bray's amendment,

The Lord Chancellor (Lord Birkenhead) explained the attitude of the Government in relation to the Bill. Upon a subject which so much perplexed the consciences of individuals

it would not be proper, he said, that the Government should give such direction as was afforded by putting the Government Whips in charge of the division. Therefore, all members of the Government in the House, and, if the measure should so far proceed as to be considered in the House of Commons, in that place also, would be free to vote in accordance with their own views. With regard to the proposals of the Bill, he did not agree that the courts suggested were the best tribunals to decide these matters. He would submit proposals which would remit the jurisdiction to the Judges of Assize who went on circuit and who were willing to undertake that great addition to their burdens. The real controversy was between those who believed that marriage ought to be indissoluble for any reason and those who did not hold that belief.

The principle that marriage was and ought to be indissoluble disappeared, by almost universal admission, from their institutions 350 years ago. "We therefore to-day," said the Lord Chancellor, "approach it upon the basis that marriage is not, and ought not to be treated as being indissoluble; and I say . . . that those who take and who attempt to advocate the other view do not live in this world, and their arguments are the whisperings of the abandoned superstitions of the Middle Ages. I assume, and I think I am entitled to do so, that 90 per cent. of your Lordships who listen to me to-night, 90 per cent., I believe, of those who are members of the House of Commons, and I think as large a proportion of the total population of these Islands, are agreed that upon some grounds . . . marriage ought to be dissoluble. That means—and let us never forget this—the definitive rejection of the ecclesiastical view. When once that conclusion is reached, on what other principle must we proceed? The Commission indicated the principle. I accept it. I recommend it to the consideration of the House. They thought that marriage ought to be dissoluble upon any grounds which have frustrated what by universal admission are the fundamental purposes of marriage."

Pioneers in a Great Reform.

He was concerned to make the point that the spiritual and moral sides of marriage were incomparably more important than the physical side. He specially desired that any answer to his argument might deal with the point that a breach of that which was highest must be treated by the State as not less grave than a breach of that which was lower. It might well be that if their Lordships sent the Bill to the House of Commons it would meet with a volume of support which would at long last remove that great blot from their

civilisation. He earnestly implored them to be the pioneers in that great reform.

The Archbishop of Canterbury said he approached the question not on ecclesiastical grounds, but upon the social grounds applicable to the well-being of the community as a whole. He and those who thought with him raised no opposition to several of the larger changes proposed in the Bill. They did not oppose, for instance, the cheapening of the mode of obtaining divorce. Secondly, there was the equality of the two sexes as to the grounds upon which they might claim divorce; and, thirdly, the additional grounds for declaring nullity. His contention was that if they granted those changes, they would have gone very far to meet the much greater part of any need which was at that moment real and could be met by legislation. The hard cases would remain whatever they did. They must be considered on their merits and they did not, even cumulatively, amount to a number which could be regarded as a sufficient argument for a complete change in the law.

“One hears a great deal,” said the Primate, “about the increase of divorce at this moment as showing a change in the attitude of the people of this country towards divorce. It is an appalling thing to learn that during the last year there were 5,389 applications for divorce. But we must not exaggerate the meaning of that. These numbers, alarming as they are, become less appalling when they are looked into. I have been in touch with some of those who have had special opportunity of observing from day to day what is happening in the Divorce Court with regard to these cases. I am told that 85 per cent. of these are war cases, undefended cases, due to the absence of the husband abroad while the wife was left in this country, and arising under conditions entirely abnormal, not in the least likely to recur, and not to be taken at all as evidence of a change of public opinion in England upon that subject, and therefore it would be no criticism of our normal needs that this immense number of applications should have been made. With regard to the costs question, it is not out of place to note that out of these 5,389 cases not less than 2,504 came before the Court under the law which pays the expenses for them. Therefore, though I am ready to go all the length that is necessary in regard to paying the expenses of poor persons, to a large extent that appears to have been met.”

An Irrevocable Step.

In conclusion, the Primate asked the House to remember that not only were they taking an irrevocable step, but they

were dealing with a very sacred thing touching the home life of England. There were, he thought, some 9,000,000 married couples in this country. The cases they were talking about were in comparison the veriest handful. "We do want to consider them and we do want to help them if we may; but beware lest in your mode of helping these you bring unrest, apprehension, and distress into homes, not ten times but a thousand times as numerous, and beware also lest you open a door which will be used by ten people whom you do not want to use it for every one for whose benefit you made the opening. That, I believe, is the fundamental fact which underlies our action in this matter."

Lord Coleridge, speaking as one who for six months in 1919 sat as Judge in the Divorce Court, said he approached his work with the general settled opinion that the restriction on divorce should not be relaxed, but experience entirely changed his view. He wanted to remove the idea that the vast increase in the applications for divorce necessarily indicated a growing moral degeneration.

"So long as the poor were excluded from the Divorce Court people living in irregular unions were morally pardoned by their neighbours. Now that the doors of the Divorce Court are enlarged the neighbours no longer overlook these irregularities; people find that the moral feeling of the street is against them and hurry to do homage to the higher standard of the street. Secondly, the fact that the custody of the children implies that the spouse getting their custody is free from moral blame is another reason for the struggle of the poor to obtain the custody of their children however burdensome such custody may be upon them."

On a division the amendment was negatived by 93 votes against 45, and the second reading was thereafter agreed to.

LAW OF PROPERTY BILL.

The Law of Property Bill, introduced by the Lord Chancellor, is in size a monumental measure. It contains 178 clauses and 16 schedules, which together occupy no fewer than 257 pages. The Bill, naturally, is highly technical in character, but its main objects are set forth in a prefatory memorandum, which states that it "will effect a greater simplification in the practice of conveyancing, without however destroying the power to settle land, than any measure hitherto proposed." The general proposals, it is pointed out, are discussed in a pamphlet, "The Line of Least Resistance," by Mr. Arthur Underhill.

Points in the Bill.

The following may be quoted from the explanatory memorandum :—

Though the Bill, as a whole, is long, the greater part of it consists of provisions for the abolition of the existing law. The working machinery which will ultimately be left will be short, and, as compared with the mass of statute and other law actually repealed or rendered obsolete, will be wholly insignificant. In fact the length of the Bill is entirely attributable to the complexities of the law which it is intended to simplify.

The main object is to assimilate the law of real and personal estate. The general principle is enacted in clause one, which puts freehold and customary land on the same footing as leaseholds, and repeals the Statute of Uses. This principle is worked out in the different parts of the Bill.

By itself the general principle would not do much to assist a purchaser, for, to obtain a good title, he not only has to acquire the fee simple or the term of years which he buys, but has to see that the equities and charges affecting the land are bound. Hence the Bill places all interests in land, except legal estates in fee simple or for a term of years absolute, behind a curtain consisting of either a trust for sale or a settlement, and frees a purchaser in good faith from any obligation to look behind the curtain.

By this method, with the aid of the provisions relating to mortgages and the legal estate, the reforms sought in Lord Haldane's Bill of 1915 are, with insignificant exceptions, carried out, without the complications incidental to that scheme, without inventing any new nomenclature, and without setting up a register of cautions and inhibitions.

Law of Intestacy.

It would hardly satisfy modern ideas to apply the existing law relating to the devolution of leaseholds on an intestacy to land generally. Accordingly it is proposed to give the real and personal estate on an intestacy :—

(1) If a husband or wife survives and there are issue, to the surviving spouse absolutely if the estate available for distribution does not exceed £500. If it exceeds that amount, to the surviving spouse for life, and after his or her death to the issue.

(2) If there are issue, but no surviving spouse, the whole to the issue immediately.

(3) If there is a surviving spouse but no issue, the whole to the surviving spouse absolutely, whether or not the estate exceeds £500 in value.

(4) If both parents survive, and failing a spouse or issue, then to the surviving parents equally.

(5) If one parent survives, and failing a spouse or issue, the whole to the surviving parent.

(6) Subject as above, the Statutes of Distribution are to apply ; the Crown takes in default of next-of-kin.

The objection to a surviving spouse taking a life interest is that this postpones distribution. The large majority of intestates' estates are very small in value ; hence it is suggested that, where the estate available for division does not exceed, say, £500, the spouse should take absolutely. The fixing of any such sum must give rise to arbitrary results, which are difficult to justify save as a practical solution.

But whatever interests are decided on, it is submitted that the real and personal estate ought to devolve together to avoid the difficulties and costs which have arisen or have been incurred in the past by reason of the property devolving in different ways.

DEBATE IN HOUSE OF LORDS.

In the House of Lords on 3rd March the Bill was debated on second reading.

The Lord Chancellor (Lord Birkenhead) said that entire simplicity in the law was impossible. If they insisted on keeping their Statutes short and simple the only consequence would be an enormous growth of case law, put together piecemeal as the result of litigation, with its attendant friction, expense, uncertainty, and delay. But though one could not have simplicity in detail, there was simplicity to which one could attain, namely, simplicity in principle. The leading features of the Bill might be summarised as :—

(1) The simplification of principle and the abolition of technical and archaic forms and distinctions which had long lost their significance and use.

(2) The extension and improvement of existing laws of admitted utility and of comparatively recent date.

(3) The bringing of the law of descent on intestacy of personal as well as of real property into accord with what were believed to be the feelings and ideas of the majority of those whom it affected.

As examples of the first, he might instance the assimilation of the law of real and personal property and the final and complete abolition of copyhold and customary tenures and all local and customary rules of descent. As examples of the second, he might refer to the amendment of the Conveyancing Acts, the Settled Lands Acts, and the Trustee Acts, and provisions for the more effectual compulsory establishment of a general register of title throughout the country, with certain amendments of detail in the system of registration itself.

Law of Succession.

There was only one substantial alteration of the law—namely, of the law of succession on intestacy. The large landowner would usually wish that on his death his estate should go entirely to his eldest son, and sometimes, failing a son, to his next male relative. On the other hand, the smaller owner—for instance, the working man who had invested his savings in a house—would probably wish it to be divided in the same way as it would be divided if it were money or goods. The present law followed the first of thos

alternatives, but it might be doubted whether, as a generalisation, that was either necessary or right. As the Bill left the law of entail in full force there was no reason whatever to fear the undue dissolution of properties which tradition and the desire of many families rendered it important to retain in their integrity.

The present law, again, made a distinction between the rights of a surviving wife and those of a surviving husband. That arrangement was out of harmony with the general feeling for the equal treatment of the sexes in the eyes of the law. The Bill proposed to place surviving wives and surviving husbands on an equality, and also to make a distinction between the rights of surviving spouses in the case of small as distinguished from large estates. Those rules of descent would apply to personal property as well as to land, and thus the inconvenience caused by freehold property devolving differently from personal property and leasehold would finally disappear after so many perplexing centuries. The extension of the principle of entail to personal property would enable an entailed estate and heirlooms to be kept together effectively.

Copyhold Estates.

Dealing with alterations in the machinery of the law, the Lord Chancellor explained that the Bill contained provisions for the abolition of copyhold estates and for the gradual extinction of manorial incidents. A large part of the measure was devoted to provision for simplifying and cheapening the process of investigation of title on sales and mortgages and for cheapening the transfer of land. This was effected in two ways. First, by provisions, which would come into operation immediately on the commencement of the Act and would apply to all land alike; secondly, by provisions for gradually extending the operation of registration of title under the Land Transfer Acts.

Viscount Haldane remarked that the Lord Chancellor had spoken in a rather sanguine tone about it being possible to make land in future comparatively easy to transfer, but he doubted whether that could ever be a very simple thing to do. All law reformers of late had been agreed that they should be able to transfer land and deal with it as easily as with a share. As between buyer and seller they might make the title to the specific piece of land just as simple a one as the title to a share. When the Bill passed it would have made a great reform in the law and would have made registration possible, but the Lord Chancellor should then set about the work of codifying the great mass of Statutes which remained

to be dealt with. He referred not only to the Statutes touched by the Bill but to the Conveyancing Acts, the Settled Land Acts, the Trustee Acts, and other miscellaneous Acts. It was possible to put all those into one code with the Lord Chancellor's Bill operating upon them.

After further debate the Bill was read a second time and was referred for examination to a Joint Committee of both Houses of Parliament.

REPRESENTATION OF THE PEOPLE BILL.

A measure brought forward by the Labour Party under the title of the Representation of the People Bill was read a second time in the House of Commons on 27th February. The main objects are to confer the franchise on women at the age of twenty-one, and to assimilate the parliamentary and local government franchises by abolishing the occupational qualification and the qualification of women as the wives of local government electors, and place the whole franchise for both sexes (other than university electors) on a similar basis of residence.

DEBATE IN HOUSE OF COMMONS.

Mr. T. W. Grundy (*Labour, Rother Valley*), moving the second reading, said the effect of the restriction of the women's parliamentary vote to the age of 30 was to keep off the register the great mass of industrial working women. It was claimed that the vote was given to women by the Representation of the People Act, 1918, as a recognition of their industrial service during the War. He placed the recognition of the right of women to vote on an equality with men on a much higher plane than that. As an actual fact, only about one in fifteen of the industrial working women were enfranchised.

Mr. Gideon Murray (*Coalition Liberal, Glasgow, St. Rollox*) said he had believed for many years that a measure of women's suffrage was necessary in this country, but the measure which was incorporated in the Representation of the People Act went as far as was possible for the present. He did not think the one General Election held since the passing of that Act was sufficient to give a full trial to women's suffrage. The best solution would be to increase the age for conferring the franchise on men to 25, and to lower the age at which the franchise was given to women to the same level.

The Minister of Health (*the Right Hon. Dr. Addison*) stated that the Bill would increase the electorate by about 5,000,000 persons. The resulting electorate would consist

of a little less than 13,000,000 men and rather more than 13,000,000 women—perhaps about 500,000 more women than men. It was estimated that the additional cost of preparing the register involved by the Bill would be between £300,000 and £400,000 per year. The question of soldiers disqualified by demobilisation had been under the consideration of the Government, and it was felt that men under the age of 21 who were already on the Military register should not be deprived of their vote by demobilisation. They had, therefore, framed proposals to provide against that; but it was not felt that any additions to the naval and military register should include voters below the age of 21.

Differences Amongst Women.

A fear had been expressed as to the effect of women combining together. As a matter of fact, women differed amongst themselves just as much as men did, if not more so, and there was just as little likelihood—indeed it was almost a moral and physical impossibility—of all women thinking the same as there was of men doing so. Men in many respects in actual workaday life were inclined to practical compromise, while a woman was more inclined to insist on the ideal. Politically they, as a nation, stood to gain by a large rather than a small electorate. Considerations of the parish pump were not so influential with a large body of persons as with a few, and that was all to the good. The Government proposed to leave the matter to a free vote of the House on the second reading, reserving to itself the right to bring forward amendments in Committee.

Viscountess Astor (Coalition Unionist, *Plymouth*) said that women brought into public and private life a sort of moral courage which the men needed. As to the argument about age, they all knew that women at the age of 18 were far older and wiser in many ways than the man at 25. The people who did not want women in public life were too late; there were certain reforms the women wanted, and they were going to get them.

After the closure had been applied, the Bill was read a second time without a division and was sent to a Standing Committee.

EMPIRE DAY.

In the House of Commons on 19th February, questions were addressed to the Prime Minister on the subject of the celebration of Empire Day.

Sir John Butcher (Coalition Unionist, *York*) asked the Prime Minister,

(1) Whether his attention had been called to a resolution passed by the Empire Movement Committee on 13th November last by which they resolved to approach the Prime Ministers of the United Kingdom and the Dominions, and respectfully to suggest to them that they might see their way to advise His Majesty to appeal to his peoples in all parts of the British Empire to hold in accordance with their respective faiths public religious services on Empire Day, 24th May; and whether he would take those suggestions into his favourable consideration and take steps accordingly.

(2) Whether his attention had been called to a resolution passed on 13th November last by the Empire Movement Committee, expressing the opinion that the time had come for the use of an Imperial flag displaying thereon the Union Jack with symbols representing the Dominions, Crown Colonies, and Indian Empire, and recommending that such a flag be prepared and flown on all churches, chapels, places of worship, and public buildings throughout the British Empire as a token of humble thanksgiving to Almighty God for the preservation of the Empire, and whether he would give these proposals his favourable consideration.

The Prime Minister (the Rt. Hon. D. Lloyd George) made the following reply :—

The answer to the first part of both questions is in the affirmative. His Majesty's Government will take these resolutions into consideration, but I am inclined to think that having regard to the way in which the whole Empire chose the anniversary of the signing of the Armistice for thanksgiving, and in view of the impressiveness of that occasion, it might be preferable that similar action should be taken in future on that anniversary.

DOGS' PROTECTION BILL.

The House of Commons on 19th March debated on second reading the Dogs' Protection Bill, which proposes to make it unlawful to perform any experiment of a nature calculated to give pain or disease to a dog for any purpose whatsoever, either with or without anæsthetics.

The Rt. Hon. Sir Frederick Banbury (Coalition Unionist, *City of London*), moving the second reading, said that all who regarded the dog as one of their best friends would do their best to save him from experiments. It was possible, as matters stood now, for the Home Office to give a licence which would allow a painful experiment to be made upon a dog without anæsthetics, to allow the dog to recover from an experiment if it was made with anæsthetics, and to remain not under anæsthetics until the object of the experiment had been attained. In his evidence before the Royal Commission on Vivisection, Dr. Pembury said that pain was necessary in order that the experiment might be successful.

Sir Watson Cheyne (*Coalition Unionist, Scottish Universities*) moved the following amendment :—

This House declines to proceed further with a measure which would impose an unnecessary and most serious obstacle to medical research.

He said that of all animals the dog was the one whose physiological processes most nearly approached those of man, and in a certain number of cases it was the only animal they could get any result from. The surgery of the brain had been built up on experiments on dogs, and a great deal of their present knowledge on the chest was the result of experiments on dogs. It could not have been got in any other way, apart from experiments on man. The Bill was unnecessary because the great bulk of the work done on dogs did not cause pain.

Sir John Butcher (*Coalition Unionist, York*) considered that both from the point of view of physiological research and humanity they ought to see that animals were not caused pain.

Captain W. E. Elliot (*Coalition Unionist, Lanark*) said that experiments had been carried out on dogs under complete anæsthesia which proved practically and conclusively the cause of heart disease.

“The heart-beat,” the hon. member said, “starts by an impulse beginning at the top of the heart and passes down in a certain sort of current throughout the muscle. In heart disease, the wires are faulty, the circuit is bad, and instead of passing straight down through the heart, as it should do, the impulse is broken up and the heart goes into what is known as fibrillation. Each muscle fibre begins twitching independently, and in some cases one single muscle impulse gets loose, so to speak, and courses round and round the heart. . . . In regard to this impulse . . . it is hoped that by an electric shock you can break it up and stop the palpitation, and set the heart beating again.” That was only possible, the hon. member added, because of the researches and the work which had been done on the dog.

The Bill was still under discussion when the House rose and the debate accordingly stood adjourned.

CANADA.

The Dominion Parliament assembled for the Fourth Session of the Thirteenth Parliament on 26th February, 1920, meeting for the first time in the new Parliament Buildings.

THE ADDRESS.—GENERAL DISCUSSION.

The address in reply to the Governor-General's speech, which alluded to the conclusion of peace and the period of reconstruction and anticipated legislation on the sale of opium and the Dominion franchise, was moved by Mr. Hume Cronyn and seconded by Mr. Alexander McGregor on 1st March, 1920.

DEBATE IN HOUSE OF COMMONS.

General Policy.

Mr. Hume Cronyn (Unionist, London, Ont.) recommended the following as guiding principles :—rigid economy, cessation or minimisation of Government borrowing, adequate taxation on a scientific and equitable basis, an energetic and discriminating immigration campaign, and national scientific research.

He pointed out that a new franchise bill would be submitted and this opened up the general question of representative government, and he trusted that this might lead to the serious consideration by a Select Committee of proportional representation.

He thought that members of the House and the public should be kept in close touch with the entire situation in regard to the returned soldier, and that a second Industrial Conference should be convened.

Financial Situation.

Mr. Alexander McGregor (Unionist, Pictou, N.S.) thought that it might well be claimed that the Government were carrying out their pre-election promises to the returned men.

Their trade returns for the year ending with December showed that the total imports and exports of merchandise amounted to \$2,235,928,072, which was \$82,049,160 greater than in the year 1918. They should endeavour to reduce the adverse balance between Canada and the United States by buying Canadian goods instead of American productions. On the other hand, it was interesting to note that in 1919 they sold the United Kingdom goods to the value of \$528,035,514, whereas they only bought the relatively small value of \$87,516,819.

There was one class of people in Canada, the manufacturers, who appeared to have a good many hands lifted

against them. But he thought that the man who put his money into Canadian industry, who gave employment, and who developed the country was no more deserving of attack, because he made a success of his business, than the farmer, merchant, or mechanic.

Perhaps some of them forgot the great financial obligation which had been thrust upon them as a result of the war. When they entered the war their national debt was \$335,000,000; to-day it was nearly \$2,000,000,000 and the interest was over \$115,000,000. In addition there was a yearly Pension Bill of over \$25,000,000.

Legislative Programme Criticised.

The Hon. W. L. Mackenzie King (Liberal, Leader of the Opposition) criticised the meagreness of the legislative programme. His Excellency's advisers appeared to be infinitely more concerned with external affairs than with the business of the country. They were all interested in Bulgaria, but he could not help thinking that it would have been more in accord with the wishes of the Canadian people if the first document to be presented to Parliament had been for the purpose of ratifying the agreement between the Grand Trunk Railway Company and the Government. The reference to the Dominion franchise was the most important in the speech. They would not find a solution for the unrest of their time until they had in some very considerable degree restored those safeguards of liberty, freedom, and popular rights which had been so much neglected by the present Administration.

After criticising the War-Time Election Act and the Military Voters' Act, Mr. Mackenzie King declared that almost the day after His Excellency's speech an announcement was made that the Government intended to introduce two amendments* to the British North America Act. Hon. gentlemen opposite might at least have had the courtesy to tell His Excellency of it and have His Excellency inform the House and people.

Amendment to the Address.

There was not in the Cabinet a single representative of the French Canadians. The provinces of Nova Scotia, New Brunswick, and Prince Edward Island had no representative. The Government and the House, unrepresentative as it was,

* Notices of these amending Acts appear in the Orders of the Day of 2nd March and deal with the removal of Judges of the Supreme Court on account of age or permanent infirmity and the operation extra-territorially of enactments of the Canadian Parliament as if enacted by the Parliament of the United Kingdom.

was to be continued for another couple of years through some policy that was not fit to be framed and that was still unknown. Mr. Mackenzie King therefore moved that an addition should be made to the address to the effect that His Excellency's advisers should forthwith bring forward the promised Franchise Bill and should then take the proper constitutional steps to obtain His Excellency's approval of an appeal to the people at the polls.

Work of the Government.

The Acting Prime Minister (the Right Hon. Sir George Foster) declared that now the war was over and some of the hardest problems of peace had been met and put in the way of solution, the Government would find means to place the whole truth before the country. "I stand here to-night," he said, "with the experience I have had in public life, and make this assertion, which I believe to be absolutely true: That no Government since Confederation has faced greater responsibilities and met them more efficiently, or has so fair a record of performances, as this Government which has carried through the work of the war. No Government that I have known has more fully carried out the pledges that it made upon the platform upon which it was elected than has this present Government. . . . We may divide the work of the Government into three branches: the home work and policy, the war work and policy, and that other body of administration and policy which has to do with both home and war in the way of support, amalgamation, and co-operation."

Sir George Foster explained that the first article of the platform upon which the Government went to the people in 1917 was a vigorous prosecution of the war. The second article was Civil Service reform. The Government had established a Health Department, had added to it a Child Welfare Bureau, and had followed that up with a Housing Scheme. Along with technical education they had the Industrial and Scientific Research Council. It was a plank in the platform of 1917 that women should be enfranchised. The Government had had the courage of its convictions in relation to prohibition. The importation of liquor was forbidden in 1917 to ensure the saving of their money and to secure improved efficiency; manufacture was prohibited in 1918. The cost of living from 1914 to the present time was less in Canada in some cases by one hundred per cent. and in other cases by bigger percentages, than in any of the other great countries. The Board of Grain Supervisors in 1917 and 1918 sold and managed the wheat crop of Canada. The Government had established a War Purchasing Commission; and he was of the opinion that

no country in the world more efficiently demobilised its soldiers than did Canada.

Mr. D. D. McKenzie (*Liberal, Cape Breton N. and Victoria, N.S.*), in seconding Mr. Mackenzie King's motion, criticised the absence of Ministers from the House. He was sure that there might be occasions when the business of the country demanded that Ministers should not be in their seats; but he could not conceive of any circumstances that could render it impossible for a minister of the Crown at some part of the day during the session to give some time to the proceedings of the House.

All they had to do was to recall the history of the great Liberal Party from 1896 to 1911 and to ask the people to put the confidence in the party that they reposed in it in those days. They had not one policy for the maritime provinces, another for Quebec and Ontario, and still another for the West. Their policies were intended for one united people.

Speaking on trade questions, Mr. McKenzie said that while he was anxious for the widest possible trade with foreign countries, he would not trade to the extent of one five-cent piece with any country that did not recognise the Canadian dollar to the full face value of that dollar.

The French-Canadian View.

Mr. L. J. Gauthier (*Liberal, Saint Hyacinthe-Rouville, Que.*) declared that to win the war it had been necessary to lay hands on the constitution of the land, do away with individual rights and suspend the organic laws of the constitution. It was said there was general unrest in the country. Whence did the United Farmers of Ontario, who had given birth to the political hopes of the farmers of Canada, take their inspiration? They found it in the fact that a Minister of Militia in 1917 had, in order to obtain the vote of the farmers' sons, promenaded the Province of Ontario with an Order in Council declaring they would never go to the war. The Unionist party had been kept in power, and the farmers' sons had been called to arms. Like all class movements, the farmers' movement had its origin as a result of the policy and administration of the Government. The greatest crime with which he reproached the Ministry was that it had unchained a movement of classes. If the agricultural class of the country syndicated, they would have class legislation and an administration detrimental to public development.

Imperial Conference.

Mr Arthur Trahan (*Liberal, Nicolet, Que.*) said that a future Imperial Conference was spoken of which would be held

in the course of this or next year. The policy of the Liberal Party was that no decisions adopted at that Conference should be put in force until they had been approved by the Canadian Parliament, and ratified by the people by means of a plebiscite. The Speech from the Throne dealt more with foreign than Canadian affairs, because the Government in power to-day was still swayed by the same imperialism as during the war. Lastly, they were threatened with a new naval policy. Admiral Jellicoe had made a tour of their country. This naval policy meant imperialism and would entail considerable expenditure.

The United States and the Peace Treaty.

Mr. W. F. Cockshutt (Unionist, *Brantford, Ont.*) complained that Canada and Great Britain, and all the countries of the world were in a state of great unrest because they were all waiting for their brethren in the south to set their pen to the Treaty. He thought they had a right to tell them that, while they must fight out their own political differences, they should not impose upon the nations of the world a chaos that might be removed to a very large extent if they did their duty, which they had pledged themselves to the world to do.

The Hon. T. A. Crerar (Independent, *Marquette, Man.*) was of opinion that the fact that Canada found herself in the position of making a Treaty of Peace with Bulgaria, brought home at once to one's mind the place their country occupied to-day among the nations of the world. He took the position that if the Government had in contemplation anything which they proposed to place before the Imperial Conference in regard to Canada's new status, they should get an expression from Parliament before Canada was committed to any particular line of action.

The Economic Situation.

Turning to the economic situation, Mr. Crerar said that the remedy for the condition of their exchange lay in greater production, selling more goods, and curtailing imports from the United States. But they would make a fatal mistake if they adopted the policy, by artificial means, of controlling the imports into or even the exports from Canada. He ventured to state that if Canada in the last forty years had given one quarter of the assistance to the development of agriculture that she had accorded directly by way of bounties, and indirectly by way of a protection tariff to manufacturing industries, their wealth as a nation would be greater, and their population would be larger than it was at the present time. The farmers were in the position that they were selling

practically everything they produced in open competition with the world, and were buying in a restricted market everything they required for the purpose of production.

Protection was nothing more or less than a type of State Socialism.

The Agrarian Movement: Tariff: Income Tax.

The Agrarian movement was not a class movement. The Agrarians did not wish to sweep away the tariff at one fell blow. Their policy was based on the principle that the implements and tools of production should be free, and that the necessities of life should be made as free as possible, and in that regard they asked for a substantial all-round reduction in the customs tariff. The Minister of Finance might well raise the tax on luxuries to 50 per cent., but when he did that he should also impose an excise tax on the manufacturer in Canada of such luxuries. The Agrarians had certain concrete proposals in respect to revenue. They had the income tax which had come to stay. During the period from 1915 to 1918 the little country of New Zealand with a population of about one-eighth that of Canada collected over \$20,000,000 in income and profits taxes more than Canada. He suggested this as a fertile field to explore in respect of securing revenue. In 1918 they raised 80 per cent. of their federal revenues by taxes on consumption. The result was that on the whole the cost of living to the working man was lower to-day in the United States than in Canada, and if wages were as good in the United States—and in some cases they were better—how were they going to keep in Canada their skilled workmen while that condition of affairs existed?

He intended to support the amendment for the following reason: The Union Government was formed for one specific purpose. He submitted that in the present state of affairs this Parliament had not a mandate from the country upon the many problems they had to solve.

The Minister of the Interior (Hon. Arthur Meighen) held that the only possible method of curing the difficulty of exchange was to sell more and buy less. Yet if the hon. gentleman (Mr. Crerar), wished duties lowered, surely it must be to buy more, not less, from the United States. There was no intention to have an election until an opportunity was provided to give Western Canada its full share of representation after the census was taken.

Mr. Michael Clark (Independent, *Red Deer, Alta.*) said that when public men in the Government told the people to produce, and yet kept up restrictions upon the commerce of the people, they were following a course of absolute contradiction in economic principle. The sooner they got rid of tariffs the

better. The lowering of credit had been the immediate result of faulty action on the part of their Finance Department. The Government waited till 1917 to put on an income tax.

Criticising the tariff policy of the Opposition, Mr. Michael Clark said that the tariff portion of the platform at the Liberal Convention had been lifted bodily from the programme of the Dominion Council of Agriculture, with the exception that the western farmers proclaimed themselves free traders in principle, at least, to the extent of having free trade with Great Britain in five years. That part of the tariff policy of the Council had not been adopted by the official Opposition in the House.

He would vote for the amendment.

The Right Hon. Sir Thomas White, (Unionist, Ex-Minister of Finance, Leeds, Ont.) claimed that no Government since Confederation had done so much for the farming community as the Government in power since 1911. Considering the question of credits, he stated that \$300,000,000 were raised for the purpose of enabling Great Britain and the Allies to buy the farm products of Canada.

They could not intelligently deal with the tariff of the country unless they had regard to the national as well as the economic interest. The people would not tolerate any Government with a fiscal policy that regarded the tariff only as a means of raising revenue, and disregarded it as an instrument for the development of the resources of the country, and the maintenance and stability of their interests in Canada.

Answering criticisms with reference to borrowing from the United States, Sir Thomas White said the proceeds of the New York loans went, among other things, to assist the British Government to buy goods in Canada. If they had not been able to finance in Canada they would not have been able to provide credits to the extent which they did for the sale of Canada's produce and manufactured goods.

It was the war that had brought about a lowering of the value of the pound sterling, just as it had brought about a fall in the Canadian Exchange. If they had free trade there to-day, it would not improve their exchange situation.

Imperial Relations.

Mr. Ernest Lapointe (Liberal, Quebec East) said that a great Imperial Conference was going to take place this year for the purpose of deliberating upon the constitutional relations of the Empire and the various Dominions. He submitted that it was necessary that only a Government with a popular mandate, that only a Parliament representative of the majority of the Canadian people should be entrusted with the task of representing Canada, and speaking for its people at this very important gathering. These great problems must be con-

sidered from a purely Canadian standpoint. They were willing to take their part among the nations of the world, but their main policy was, and would remain Canada first.

Saar Valley Commission.

The Minister of Customs (Hon. Martin Burrell) pointed out that, as one illustration of the prestige which their country had attained among the nations of the world, when the one representative for the British Empire was to be appointed on the Saar Valley Commission, a body to govern the Saar Valley for a period of fifteen years, the British Government asked that Canada should name that representative. A western man (Mr. Waugh), had been selected, and had since been made Chairman of the whole Commission.

On the question of the tariff, Mr. Burrell said that if they adopted the policy which his hon. friend from Red Deer (Mr. Michael Clark) advocated to the logical extreme, it would absolutely mean the transplanting of a large number of their industries into the United States, and would tend towards making Canada, as was truly said in 1911, simply "a hewer of wood and drawer of water" for the United States.

After further discussion, Mr. Mackenzie King's amendment in favour of a General Election was negatived by 112 to 78 votes.

DEBATE IN THE SENATE.

In moving the address in reply on 27th February,

The Hon. W. Proudfoot (Ont.) said that, as His Excellency had pointed out, Canada had been selected as one of the twelve Governments whose countries were entitled to representation on the governing body of the International Labour Office.

Canada's Status.

There was not the slightest doubt that she would occupy in the Imperial Conference, to meet this year, a position that but for the war she could not have occupied. He looked for complete national autonomy and independent co-operation with the United Kingdom, but whether they were to achieve that through the theory of equal nations or organic federation, he had confidence that the genius of British statesmanship would develop the machinery necessary to ensure the security and permanence of the Empire.

It was satisfactory to note that a Dominion Franchise Bill would be introduced. He hoped that amongst the Bills foreshadowed there would be found one dealing with proportional representation.

Constitutional Safeguards.

The Hon. H. Bostock (*Leader of the Opposition*), speaking on 2nd March, complained that the information contained in the Speech from the Throne was very meagre. It was to be hoped that now they were in a period of reconstruction and were, he might almost say, wholly rebuilding the affairs of the country, they would adhere more closely to the safeguards and checks which had been provided in the past, properly to protect the interests of the people. He hoped that when the Franchise Bill came before them, they would find that the Government had gone back to the system which prevailed prior to 1917.

The Hon. Sir James Lougheed (*Leader of the Senate and Minister of Civil Re-establishment*) said that they had established more successfully than any of their Allies, schemes which had to do with re-establishing their troops in civil life. The success of the last loan stood to-day as the greatest tribute to Canada's patriotism, prosperity and resourcefulness. Canada in its freedom from unrest and labour difficulties was far in advance of either the United States or Great Britain.

The Hon. R. Dandurand (*Que.*), speaking on 3rd March, declared that he could see nothing altered in Canada's status. They were still dependent upon the Imperial Parliament for the exercise of any power which they did not find in the British North America Act. Now was the time, if ever, for this Canadian Parliament and the Dominions at large to claim co-equal rights with the British Parliament, recognising a common king, but no subservient or dependent situation.

The Hon. W. Roche (*N.S.*) asked whether Canada was at the present time a Dominion of the British Crown or not. Gentlemen who contended that they had achieved an advanced status, ought to be able to show them the public Act by which that status had been secured.

The Agrarian Movement and the Tariff.

The Hon. F. L. Schaffner (*Man.*) thought that Canada, because of its diversified interests, was one of the most difficult countries in the world to govern. He was of opinion that the Agrarian movement in the West had been caused by the big industries of other provinces which had not been satisfied with fair profits. The tariff should be lowered. There should be a compromise between the industries and agriculture. Mr. Schaffner criticised the Government as slow in adopting direct taxation. After five years of war, indirect taxation in the shape of customs and excise continued to provide the great proportion of the revenue. The argument had been used that

the cost of administration (of the income tax) would be nearly as much as the revenue received from it. That did not seem to have been the case in the United States, Australia and New Zealand.

Conscription.

The Hon. L. O. David (*Que.*) criticised the policy of the Government with regard to conscription during the war, which was directed particularly against the province of Quebec. When Canada had furnished 400,000 volunteers he thought that number was sufficient, or the additional men needed could have been obtained without recourse to a conscription measure.

Imperial Parliament.

The Hon. J. P. B. Casgrain (*Que.*), speaking on 9th March, said he was of opinion that Canada was still a Colony. Because they had signed the Covenant of the League of Nations they thought they were a world power. That was impossible because no communication whatever could be had by the Government with any other Government, except through the British Ambassador.

"Can you have equal citizenship," he asked, "when you have no vote, and the people in the British Isles do all the voting?" For Imperial affairs, if they were to give their sons and to contribute their money, and to take part in the League of Nations, surely there should be an Imperial Parliament in which their delegates, even though they might be voted down, would at least have the right to express their opinion. Although they belonged to the Empire, yet they had no vote; the humblest voter in the British Isles had more power than the Senate and House of Commons of Canada and Governor-General all put together, in deciding policy.

The Motion for the Address was agreed to on 10th March.

TREATY OF PEACE (BULGARIA) RESOLUTION.

On 11th March, 1920, the President of the Council moved the following resolution in the House of Commons:—

"That it is expedient that Parliament do approve of the Treaty of Peace between the Allied and Associated Powers and Bulgaria . . . which was signed on behalf of His Majesty, acting for Canada, by the plenipotentiaries therein named, and that this House do approve the same."

DEBATE IN HOUSE OF COMMONS.

The President of the Council (Hon. N. W. Rowell) said that the adoption of this Resolution involved the recognition of democratic control of foreign policy and that Canada should not be finally committed to important international engagements such as was embodied in this treaty without the consent of Parliament; a recognition that any war in which the British Empire was engaged and in which Canada had taken part and the terms of the Treaty bringing such a war to an end, were matters of concern to the people of Canada and that such a treaty should not be ratified by His Majesty until it had been approved by Canada as one of the five nations of the British Commonwealth; a reaffirmation by Parliament of its approval of the League of Nations, of the Labour Clauses, and of the position and status accorded to Canada in the League of Nations and in the International Labour organisation and of its determination to maintain that status.

The Terms.

In explaining the terms of the Treaty, Mr. Rowell stated that the general lines of the Treaty were similar to those contained in the Treaties of Peace with Germany and Austria which had already been approved by the House. They were discussed and agreed upon when the Prime Minister and his colleagues were in Paris. The Prime Minister was himself the Vice-Chairman of the Commission of the Peace Conference on such claims, which gave special consideration to certain aspects of the territorial situation in the Balkans. The provisions relating to debts and financial matters were of special interest to Canada in view of the fact that there were a number of Bulgarian nationals living in Canada and there was a certain amount of enemy property in the country.

The League of Nations.

Considering the status of Canada in the League of Nations, Mr. Rowell said that a reading of the terms of the Covenant made it perfectly clear that they had exactly the same rights as all other members. In order to prevent any misunderstanding so far as the Great Powers were concerned, the Prime Ministers of Great Britain and France and the President of the United States signed a statement in which they affirmed that according to their interpretation, Canada and the other Dominions were entitled to be chosen among the nations to nominate members to the Council. There was no question

about their right to vote in the Assembly. In case, however, there was a dispute, to which any portion of the British Empire was a part, with any foreign country, it was the view of the Government, and of the Government of Great Britain also, that as interested parties, no other portion of the Empire could vote. Canada's position was as independent as Great Britain's, but she was not independent of the British Empire. This arose only in the case of a question not suitable for either arbitration or judicial determination, where it was a question for conciliation which had been referred by the Council to the Assembly for report.

The International Labour Conference.

Turning to the Labour clauses, Mr. Rowell pointed out that if no nation, plus its self-governing dominions, could have more than one representative on the governing body of the International Conference, it meant that the representative of the Empire must always be a representative of Great Britain, as one of the eight nations of chief industrial importance. The Prime Minister took the ground that this restriction clause impaired the status of Canada, and the Prime Ministers of the other Dominions shared this view. The result was that the clause was eliminated. At the International Labour Conference at Washington, Canada was one of the nations represented, and in addition Mr. Draper was elected as one of the six representatives of labour on the governing body.

The Lenroot Reservation and Canada's Right to Vote.

Their status in the League had been called in question by the reservations which had been adopted in the American Senate. The Lenroot Reservation contained the proposal that the United States assumed no obligation to be bound by any election, division or report before the Council or Assembly in which any member of the League and its self-governing Dominions gave more than one vote. It challenged their whole position in the League. Canada felt that there was only one possible course open to her, namely, that if any country should say that its ratification of the Treaty was conditioned upon their assenting to their own position being impaired and their right to vote denied, they as a self-respecting people would not give that consent. This position the Government had made perfectly clear to the proper authorities.

Canada's Status within the Empire.

In dealing with the constitutional status of Canada in relation to the other portions of the Empire, Mr. Rowell stated that during the twenty years from 1887 to 1907 the more

or less casual meetings of the Colonial Conference for consultation had developed into a settled organisation with fixed periods of meeting, and with certain defined subjects of common Imperial interest for consideration. In 1917 the Prime Ministers of the nations of the Empire met as equals. The change came about as a matter of constitutional practice.* "We are nations," said Mr. Rowell, "all equal in status, though not of equal power, under a common Sovereign, and bound together by interest and sentiment, by ties which, though light as air, are strong as iron in binding together this League of Nations which we call the British Empire or the Britannic Commonwealth." Provision was made in 1917 for calling a special conference. Canada's representatives would attend, not for the purpose of creating any new Imperial organisation, but for the purpose of developing a system of consultation and co-operation which would absolutely preserve the autonomy of the Dominions, and at the same time enable matters in which the Dominions were vitally concerned to receive that attention by the Dominions which under the existing system it was not possible to give them.

The Hon. W. L. Mackenzie King (Liberal, Leader of the Opposition) said that it seemed to him that the approval of Parliament to the Treaty was being asked for simply as a matter of form, but he thought it would be unwise for Parliament not to take the same action as it took in the matter of approving the Treaty with Germany. If they were to have an increased measure of foreign policy as a part of the business of Parliament, it became increasingly important that they should have some effective democratic control of it, but (in regard to the Czecho-Slovak and Serb-Croat-Slovene Minorities Treaties) there was again mere ratification by Order in Council instead of by Parliament.

Looking at the spirit of the word, he thought that everyone would be prepared to concede that, with the self-governing status which they had, they were to all intents and purposes a nation. But taking the letter of the Constitution, would anyone for one moment contend that this country was a Sovereign nation to the degree of having all the rights and privileges which the British Parliament had when they had to go to the British Parliament to ask for the right to amend their constitution? Both Austrælia and New Zealand had the right to amend their own constitution in the particulars mentioned therein. Why should this Parliament not have the same powers?

*Mr. Rowell here quoted at length the statement on the new Constitutional development made by Sir Robert Borden to a gathering of the Empire Parliamentary Association, on 21st June, 1918 (*vide War Cabinet Report*, 1918, at p. 7).

Imperial Centralisation.

They (the Liberal Party) wished to see the position of Canada as one of the nations within the British Empire maintained and strengthened, but they did not wish to see a condition of affairs brought about whereby the full autonomy of the country and of Parliament would in any way be impaired by any scheme of Imperialism which would lead to a centralisation of the control of the Empire.

The Minister of Justice (the Right Hon. C. J. Doherty) speaking on 16th March, argued that when His Majesty contracted for the British Empire he did so on behalf of the United Kingdom, Canada, Australia, India, etc., through their plenipotentiaries, and what constituted the signature of the British Empire was the combination of all these signatures. If ratification failed on the part of one of these nations they could not have the signature of the entire British Empire.

He ventured to express the opinion that whatever His Majesty did in the absence of the assent of one of the self-governing nations of the Empire would not constitutionally bind the entire Empire, and more particularly would not bind that nation of the Empire which had withheld its assent. Mr. Doherty continued: "I confess I know of no national attribute of which Canada is not possessed. It does not prevent Canada's being a nation that she should be joined and associated with other nations, acting in co-operation with them in the partnership that we call either the British Empire or the British Commonwealth." He thought if the old-fashioned meaning of the word "Empire," which implied dominating over other powers, were applied, it would be incorrect to talk about the British Empire. The domination feature had long since disappeared. For his own part he thought "Commonwealth" was an excellent word. Dealing with the British North America Act, Mr. Doherty said nobody had ever disputed that legally the legislative power is supreme in the Parliament of the United Kingdom, and it followed that the British North America Act, though in reality a compact between the Provinces, was in form an Act of the United Kingdom Parliament, and such being the case, he added, "when that Act has to be modified we have to go through the form of addressing ourselves to that Parliament of the United Kingdom. But to suggest that that throws any doubt upon our constitutional status as a nation within this Empire, I think only implies a confusion between what may be the requirements of law and what, side by side with those requirements of law, may be the constitutional rights of the nations or peoples within the Empire."

The Hon. Henri S. Béland (*Liberal, Beauce, Que.*) denied that Canada was an independent or sovereign nation.

The member for Quebec East (Mr. Lapointe), at the

conclusion of the last Session, adequately represented the opinion of the Canadian people when he requested that Parliament and the country should be consulted before any scheme of Imperial Federation was launched, or indeed before any step was taken to alter the present status of Canada.

The Acting-Prime Minister (the Right Hon. Sir George Foster) said that as a result of his experience it was not possible for him to put his hand upon any organised effort amongst the public men of Great Britain looking in the least degree towards a centralisation of Empire which would harm to the slightest hair's weight the autonomy and privileges that the Dominions enjoyed with the goodwill and perfect unanimity of the people of Great Britain. One thing he stood for, that the British Empire had within its borders resources, mentality, morals, spirit of enterprise, power of organisation, and ideals, which, if they were combined in co-operative effort, would build up this great Empire as a unity and thereby make a force amongst the internationals of the world for freedom, peace, justice, and true democracy.

The Hon. W. S. Fielding (Liberal, *Shelburne and Queen's N. S.*) believed that some of the sober-minded Ministers of the Crown must entertain a mute protest against the foolish attempt of Canada to mix herself up in the foreign affairs of the world. It ought to be sufficient for them that the interests of Canada would be safe in the hands of those who represented the British Empire. He was firmly persuaded that this assertion of a separate interest on the part of Canada and the other Dominions was the beginning of the evolution of separation. In regard to the League of Nations he contended that by insistence upon the claims of Canada harm had been done; they gave Canada no status in reality that she did not have before; they made trouble between Canada and the United States; they made trouble between Canada and Great Britain.

The Motion approving the Treaty was agreed to on 16th March.

ARMENIA, IRELAND AND THE LEAGUE OF NATIONS.

On the Orders of the Day of 30th March, 1920,

Mr. I. E. Pedlow (Liberal, *South Renfrew, Ont.*) said that he would like to ask the Government a question of supreme importance at the present time. He noticed in a recent issue of the *Toronto Globe*, a reference made to some correspondence that had passed between the Acting Prime Minister of the Dominion and the Premier of Ontario, regarding certain representations forwarded, on behalf of the Armenian people, by the Canadian Government to the Imperial authorities, and by

the latter to the Supreme Council of the League of Nations. He would like to know the tenor and nature of the representations which, according to press reports, had been endorsed by the Premier of Ontario.

Mr. Pedlow further asked whether it was the intention of the Dominion Government to make similar representations through the Imperial Government to the Supreme Council with regard to the deplorable conditions which, according to press reports, obtained at the present time in Ireland, and if not why not.

The Acting Prime Minister (The Right Hon. Sir George Foster) replied that the general tenor of the representations made to the Supreme Council of the League of Nations through the Imperial Government was along the lines of securing, by the making and operation of the Treaties of Peace, immunity for Armenian communities from oppression and massacre, and the elimination of Turkish authority as far as they were concerned.

In reply to the question about Ireland, Sir George Foster said: "Taking into consideration the essential difference between the two cases, both as to the conditions and jurisdiction, it is emphatically not the intention of the Government to make such similar representations."

LEAGUE OF NATIONS.

(Canadian Contribution.)

In answer to a question put by the Hon. W. S. Fielding (Liberal, *Shelburne and Queen's, N.S.*), **The President of the Council (Hon. N. W. Rowell)** stated, on 23rd March, that the sum of \$64,043.15 paid on 13th February as Canada's contribution to the expenses of the League of Nations was paid out of the Demobilisation Vote.

IMPERIAL CONFERENCE.

In answer to a question by Mr. E. Lapointe (Liberal, *Quebec East*) on 4th March as to whether the Imperial Conference was to take place this year, and whether there was any truth in the report that it was likely to be held in Ottawa,

The Acting Prime Minister (the Right Hon. Sir George Foster) said: "It is not definitely known, and up to the present it has not been definitely decided that the Imperial Conference will take place this year. I think I may say that Canada, the city of Ottawa in particular, and all our hon. friends on both

sides, would be glad if that Conference could be held here. Canada will not put any obstacle in the way of that ; in fact she will be very favourable to it."

NAVAL POLICY.

The Minister of Naval Service (Hon. C. C. Ballantyne) on 25th March read the following statement in the House of Commons on the Government's policy in regard to naval affairs :—

"The Government has had under consideration for some time the question of the naval defence of Canada and the suggestion of Admiral Viscount Jellicoe in reference thereto.

"In view of Canada's heavy financial commitments and of the fact that Great Britain has not as yet decided on her permanent naval policy, and of the approaching Imperial Conference at which the question of naval defence of the Empire will come up for discussion between the Home Government and the Overseas Dominions, it has been decided to defer in the meantime action in regard to the adoption of a permanent naval policy for Canada.

"The Government has decided to carry on the Canadian Naval Service along pre-war lines, and has accepted the offer of Great Britain of one light cruiser and two torpedo boat destroyers to take the place of the present obsolete and useless training ships, the 'Niobe' and 'Rainbow.'"

The Minister of Naval Service, the statement continued, in order to be free thoroughly to re-organise and place the present service on an economical and efficient basis, had issued orders for the demobilisation of all officers and naval ratings and for the discontinuance of civilian help at headquarters and at the Naval Dockyards in Esquimalt and Halifax. The Canadian officers who were now being paid by the Canadian Government would be recalled and placed on duty with the Canadian Naval Service. The Naval College would be continued.

The Hon. W. L. Mackenzie-King (Liberal, Leader of the Opposition) criticised the statement as meaning that at the present time there was no permanent policy and that the Government intended to wait until after some Imperial Conference had been held. He thought that the House had a right to know whether the Government intended to consult Parliament on the policy which it proposed to adopt before deciding on its final adoption, and also whether the Government intended to make any intimation to the House as to what policy it proposed to lay before the Imperial Conference for consideration.

SHIPBUILDING POLICY.

On 23rd March the House of Commons in Committee of Supply discussed the following item :—

Marine Department. Government shipbuilding programme—amount required for the construction of vessels in accordance with Government programme, \$20,000,000.

The Minister of Marine (Hon. C. C. Ballantyne) said that this amount of \$20,000,000 was being asked for in order to complete the Government merchant marine shipbuilding programme.

With reference to the condition of the shipbuilding industry from 1875 to 1919, Mr. Ballantyne gave the following figures, and said that the business had revived again on account of the war :—

Year.	No. of vessels.	Net Tonnage.
1875	6,952	1,205,565
1885	7,315	1,231,856
1895	7,262	825,776
1905	7,325	669,825
1915	8,757	929,312
1919	8,573	1,091,780

The reason why the Government decided to enter upon a shipbuilding policy was that owing to the present great loss of world tonnage and the imperative necessity of Canada creating, owning and operating a merchant marine of her own, and also in view of the fact that the Government owned a very large system of railways, it was a matter of very urgent importance that Canada should own her own merchant marine to do work in conjunction with their large transcontinental railway system, and also for the purpose of expanding Canada's export business,

The several classes of vessels constructed or in course of construction showed a total of 63 vessels contracted for, and a total net tonnage of 380,435 tons. The average cost was \$191.92 per ton, which, Mr. Ballantyne proceeded to show, compared favourably with the prices prevailing in the United States, Great Britain and other countries.

Some criticism, he said, had been levelled at the Government for intervening at the time they did instead of allowing the Imperial Munitions Board to proceed with their shipbuilding programme. He considered that the Government acted wisely in informing the representative of the Board that Canada could no longer advance loans to the British Government to have ships built for England, in Canadian yards and under British registry, but rather that it was the policy of the Canadian Government to build their own ships, pay for them with

their own money, and afterwards operate them for the national benefit of Canada. He thought that their Government merchant marine was a great advertising medium for Canada and for their products generally. If, too, the time should ever arrive when Canada would be discriminated against in any way, then she had within her grasp the right to regulate the rates of freight on her products from the point of shipment right through to the point of destination.

Although nineteen of the ships had only been in commission a short time, the balance was on the right side. The net earnings amounted to \$1,406,000 which would provide interest at $5\frac{1}{2}$ per cent. on the Government's investment.

Shipbuilding in Australia.

It might interest hon. members to know what the Dominion of Australia was doing. In the early days of the war Australia acquired by purchase 15 second-hand British vessels with a tonnage of approximately 100,000 tons. In addition the Government undertook a local building programme. The original programme provided for the construction of 24 steel vessels of about 5,500 tons deadweight each and 24 wooden vessels. A second programme was subsequently undertaken, which provided for the construction of 14 steel ships of about 6,000 tons deadweight each. In addition contracts were placed by the Government for the construction of six vessels in the United Kingdom of about 12,000 tons deadweight. When Australia completed her programme she would possess a total tonnage of 348,400 tons net.

Canadian Development.

It was gratifying to know that notwithstanding the fact that Canadian shipbuilders had absolutely no protection of any kind, they had been able to secure foreign orders in competition with shipbuilders in the Old Land.

Mr. Ballantyne proceeded to point out that the Government had decided that Canada should be self-contained, as far as shipbuilding was concerned, and explained the steps taken to place orders for steel plates in Canada. He declared that they could ship Canadian plate, turned out at the Sydney mill, to any part of the United Kingdom, and meet the competition there and still have a good margin of profit.

Later in the discussion, Mr. Ballantyne stated that the majority of the crews were for the time being Old Countrymen. His department was doing everything it could, with its schools of navigation throughout the country, to induce Canadians to take the necessary course to become officers or engineers, deckmen and so on.

Mr. Michael Clark (*Independent, Red Deer, Alta.*) understood that from 1875 until the most recent period, or the period covered by the National Policy, there had been a shrinkage in the shipping of Canada. Shrinkage was sure to take place under restriction. It was under freedom that expansion took place. So far as the sea was concerned, the two little islands, specks in the German Ocean, had given an example to the world of what freedom would do for shipbuilding which had never been equalled and would never be surpassed. Ships to be profitably run must carry goods both ways. Did his hon. friend (Mr. Ballantyne) want to build up a shipping industry composed entirely of an export traffic? Shipbuilding would be successful or unsuccessful according to their fiscal policy. If they had a tariff barrier around their shores, they would never be a great shipping nation.

The Under-Secretary of State for External Affairs (Mr. F. H. Keefer) viewing the situation from another aspect, declared that longing eyes were being cast upon certain possessions of Great Britain down in the Caribbean Sea and South America. The sentiment of the people of these territories was intensively pro-British, notwithstanding the considerable propaganda that had been carried on against that sentiment. But there was lack of transportation facilities to other British countries from those British possessions. The people of the West Indies had never realised that while Canada had been taking only one-third of their total exports in a direct way, she had been importing indirectly, but through a broker in the United States, similar products at twice the value of their total exports. The reason for this was lack of transportation, namely, Canadian controlled ships. Trade did not move east and west nearly as much as it moved north and south. "Therefore," said Mr. Keefer, "we should provide for transportation facilities between Canada and the British West Indies and Central and South American countries in order that we may bring their products to our doors and ship our products to theirs."

Mr. Lucien Cannon (*Liberal, Dorchester, Que.*) recalled that the Acting Prime Minister, whose Government now proposed to spend 20 millions on the construction of a Canadian merchant marine, was the first to lift his voice in Parliament and in the country against this policy, and to create opposition to "Laurier's tin-pot navy." He hoped that the Minister of Marine would remember that he had been a follower of Sir Wilfrid Laurier; that he would remember the principles for which he had fought and would ever protect Canada's autonomy; and above all that he would not forget the dangers which commerce had incurred on account of England wishing to lay hands on all their Canadian ships, and that in the

future he would see to it that England was mistress of her marine and Canada of hers.

At the end of the discussion the Minister of Marine stated that the Government agreed to postpone discussion of this item.

NATIONAL EIGHT-HOUR DAY RESOLUTION.

(Jurisdiction of Dominion and Provincial Legislatures.)

On 10th March, Mr. J. H. Burnham moved the following resolution in the House of Commons :—

“That, in the opinion of this House, it is desirable that to the extent of the jurisdiction of this Parliament a national eight-hour working day should be established immediately, subject only to the right of express private contract.”

DEBATE IN HOUSE OF COMMONS.

Mr. J. H. Burnham (*Unionist, Peterborough, Ont.*) thought he might illustrate what he meant by saying that if a suit were brought in court to recover wages for so many days, it would be understood that according to law these days would be composed of eight hours each, if not otherwise provided for in writing. One of the contentions of the whole labour world was that it was best for labour, for the comfort and happiness of the people, best for industry, best for the quality of the work, that people should, as a rule, work eight hours a day, though, if necessary, they might work longer on occasions. It was advisable from all points of view that the working day should be stabilised and that there should not be the pulling and hauling which was going on now in different countries and in different parts of the same countries regarding the length of the working day.

The greatest argument in favour of the adoption of the eight-hour day was the finding of the Peace Conference at Paris. At the Conference held in Switzerland, and at the Conference held lately in Washington, which the President of the Council (Hon. N. W. Rowell) attended, it was agreed that eight hours was the proper working day.

Mr. H. H. Stevens (*Unionist, Vancouver Centre, B.C.*), in seconding the motion, proposed that Canada should, by action of its Parliament, take the first national step to bring into actual existence by law the intimation made in this proposal at the Peace Conference. Already a very large proportion of the great industries of Canada recognised and practised the eight-hour day as a standard day. Therefore,

it would be infinitely better, in the interest of a stable industrial condition in Canada, that in different parts of the country, manufacturing interests should know that in estimating the cost of their products they would have to take into account a standard eight-hour day.

Mr. Edmond Proulx (*Liberal, Prescott, Ont.*) declared there was a danger of too much governmental regulation. This question, he believed, could be left to employees and employers to settle. Labour unions were now very powerful and could dictate their terms to their employers. What they needed was greater production, particularly in agriculture. Decreasing the hours of labour would mean diminished production. Agriculture, like lumbering, was a seasonal occupation.

The Hon. W. L. Mackenzie-King (*Liberal, Leader of the Opposition*) was sure that labour would not regard very favourably a resolution by Parliament enacting an eight-hour day with the option to any one who might care to do so to make any contract he wished in regard to the hours of labour.

Mr. J. Best (*Unionist, Dufferin, Ont.*) said that he could not understand how farmers were going to secure help to work twelve or thirteen hours a day when there was a legal eight-hour day. That was one of the principal reasons why there was this great exodus from the farms to the cities.

The Hon. W. S. Fielding (*Liberal, Shelburne and Queen's, N.S.*) stated that the President of the Council in discussing another matter had told them that as a consequence of the discussion and conferences that had taken place arising out of the Peace Treaty the obligation rested upon every government that was a party to the International Labour Conference to bring forward legislation in favour of the eight-hour law, and, of course, it followed that he must bring forward a measure of that kind this Session, so far as it was within the competence of this Parliament to deal with the matter.

The President of the Council (*Hon. N. W. Rowell*) said that the question before the Washington Conference was not whether it was desirable to pass legislation regulating the hours of labour. That principle was affirmed in the Treaty of Peace; and in all the provinces of the Dominion, legislation had been passed regulating the terms of labour in certain classes of industry. So the principle was recognised in the legislation of Canada and of all civilised countries. The question which the Conference was called upon to consider was whether there should be an eight-hour day or a forty-eight-hour week or some combination of the two, and whether the time had arrived to secure general application of that principle to all industrial nations.

After explaining that the Government could not take action until it had received a certified copy of the Convention adopted by the Conference, Mr. Rowell said that an important question was raised, particularly in a country like Canada, with a federal constitution, as to whether the legislative authority before which this matter should be brought would be the legislatures of the provinces or the federal Parliament. The obligation of the Government was to present the matter to the competent legislative authority for consideration and action. If that body determined that the Convention should not be accepted, then the Government had discharged its whole responsibility under the terms of the Treaty. If this Parliament was found to have no jurisdiction, the whole responsibility would be to submit the matter to the respective provinces.

Mr. Rowell pointed out that the Convention only covered industry and did not cover agriculture, commerce or seamen.

The Minister of Justice (the Right Hon. C. J. Doherty) had no doubt that an enactment based on the resolution if adopted would be an enactment dealing with a subject matter entirely outside the jurisdiction of Canada. He thought it was clearly legislation dealing with the interpretation of contracts having to do with property and civil rights within the different provinces. He thought they would be necessarily led to a consideration of the question: Whether anything might arise out of any treaty submitted to them by the Labour Conference which would confer jurisdiction upon this Parliament to enact such legislation as might be requisite to carry out the Convention. If legislation were essential to the carrying out of an obligation imposed upon a province by a treaty made by the British Empire, there would be power in this Parliament to enact that legislation. He thought, however, that it would be highly proper for the Dominion Government, before it proceeded to enact the legislation required, to ascertain whether the provinces in the exercise of their ordinary jurisdiction were prepared to act.

Mr. Burnham withdrew the motion on 15th March, stating that its object had been fully obtained.

OPIUM AND DRUG ACT AMENDMENT BILL.

This Bill, which was introduced into the House of Commons on 18th March, is intended to bring into force, as far as Canada is concerned, the International Opium Convention, signed at the Hague in 1912, and embodied in the Peace Treaty.

The Bill amends the Opium and Drug Act of 1911 by giving power to the Minister presiding over the Department of Health to issue licenses for the import, export, sale, manufacture, and distribution of any drug ; to name the ports and places where any drug may be exported or imported ; to prescribe the manner in which any raw or prepared opium or any drug is packed or marked for export ; and to make rules with regard to licenses.

The President of the Council (Hon. N. W. Rowell) in proposing the resolution upon which the Bill was based said that its object was to put into legislative form the conclusions embodied in the International Opium Convention signed at the Hague on 23rd January, 1912. The members of the House, he said, would recall that by Article 295 of the Treaty of Peace with Germany, provision was made that this Convention should be brought into force. While the Convention had been signed by a majority of the Powers who took part in the Conference at the Hague, there were still certain important Powers which, up to the meeting of the Peace Conference, had either declined to sign, failed to ratify, or been unwilling to agree that the Treaty should be brought into force. Therefore, in view of the great international importance of this Convention which embodied the conclusions of the Great Powers as to the measures which were essential not only to restrict, but as far as practicable, to put an end to the trade in opium, morphine and cocaine, it was desirable that it should be brought into force.

Perhaps, Mr. Rowell continued, it would be interesting to recall the fact that this Convention really had its inspiration at the International Conference held in Shanghai in 1908 and 1909. At this Conference some twelve nations were represented, and it was an interesting coincidence that the Leader of the Opposition (Mr. Mackenzie King) was the Canadian representative.

After giving an account of the history between 1908 and 1913, and explaining the terms of the Convention, Mr. Rowell said that the war intervening it was impossible to make further progress. The United States and Great Britain took the initiative at the Peace Conference, and by inserting the Convention in the Treaties with Germany, Austria, and Bulgaria, secured the assent of all the Powers which up to that time had refused and were thereby blocking the carrying out of this very important international undertaking. He was sure the House would agree that that consummation marked a most important advance in international co-operation for human welfare the world over.

DOMINION ELECTIONS BILL.

This Bill, which was introduced in the House of Commons on 11th March, is a comprehensive measure dealing with the election of members of the House of Commons and the electoral franchise ; and repeals all previous legislation on those subjects.

ELECTORS.

The Bill provides (Sec. 29) that every person, male or female, shall be qualified to vote at the election of a member of the House of Commons, who, not being an Indian ordinarily resident in an Indian reservation,

(A) is a British subject by birth or naturalisation ; and

(B) is of the full age of twenty-one years ; and

(C) has ordinarily resided in Canada for at least twelve months, and in the electoral district wherein such person seeks to vote, for at least two months preceding the issue of the writ of election.

The allegiance or nationality of a person as it was at his birth, shall be deemed incapable of being changed, or of having been changed, merely by reason of marriage or change of allegiance or naturalisation of any other person, or otherwise than by his personal naturalisation. This, however, is not to apply to any person born in the continent of North America, nor to any person who obtains from a judge having jurisdiction in naturalisation proceedings, a certificate to the effect that he is a person naturalised as a British subject by operation of law, who, but for such naturalisation, is qualified to be personally naturalised in Canada.

Certain persons are, however, disqualified from voting,—among them being judges appointed by the Governor in Council, the Chief Electoral Officer, persons disfranchised for a period for corrupt and illegal practices, persons disfranchised under the Disfranchising Act, prisoners, and lunatics. Persons who, by the laws of any province, are disqualified from voting for a member of the Legislative Assembly of the province in respect of race, shall not be qualified to vote in the province under the provisions of this Act, with the exception of persons who have served in the Canadian Forces in the late war.

CANDIDATES (Sec. 38–40).

Any British subject, male or female, who is of the full age of twenty-one years, may be a candidate for the House of Commons at a Dominion election, with the exception of those convicted of corrupt or illegal practices at an election, Government contractors, members of provincial legislatures, persons holding commissions or employment in the service of the Government, and certain public officers. These exceptions do not include Ministers of the Crown, members of the naval, military or air forces on active service in consequence of any war, contractors for loans to the Government, etc.

The Governor-General in Council fixes the day for the nomination of candidates which shall be one and the same day in all electoral districts.

PREPARATION OF LISTS.

For the purposes of a Dominion election held within the limits of a province the voters' lists shall (Sec. 32) be those prepared for the polling divisions under the laws of the province, within one year immediately preceding the issue of the writ of election, and which were in force for the purposes of provincial elections. But to such lists there may be added the names of such persons as, being qualified under this

Act to be voters within any polling division (whether or not qualified under the laws of the province) are not named on the lists ; and from such lists may be subtracted the name of persons disqualified from being voters under the Act. If under the laws of the province no lists have been prepared within the above period, or if the laws of the province do not provide for the making of lists, the voters' lists for Dominion elections shall be wholly prepared in the manner provided by the Act.

ELECTION OFFICERS.

The Bill abolishes the office of Clerk of the Crown in Chancery (Sec. 18) and election duties are to be performed by a Chief Electoral Officer, who shall be the Parliamentary Counsel of the House of Commons (Sec. 19), and shall hold office on the same terms as judges of the superior courts of the provinces. The Electoral Officer shall direct all persons appointed by the Governor-General in Council as returning officers ; shall exercise general direction and supervision over the administrative conduct of elections ; and shall transmit writs to the returning officers.

In urban polling divisions (Sec. 32, Schedule A) immediately after the receipt of the writ the returning officer shall appoint one person to be registrar of votes for each city, town or incorporated village ; and he may be authorised by the Chief Electoral Officer to appoint additional registrars. Registrars shall then take the necessary steps (as laid down) for the registration of voters and within two days after the closing of registration prepare a complete and final list for each polling division, put a certified copy in a conspicuous place and deliver certified copies to the candidate and to the revising officer, who shall be a judge of a provincial court. In rural polling divisions (Schedule B) the returning officer shall appoint one person only to be registrar of votes for each rural polling division, who will be secured, if possible, within its limits. The registrar shall prepare lists of qualified voters, post two copies in conspicuous places, and retain a third for revision.

CONDUCT OF ELECTIONS.

The poll shall be held on the fourteenth day after the expiration of the day fixed for the nomination of candidates, except as otherwise provided. (Sec. 55). Provisions are made as to proceedings at the poll (Secs. 56-59), secrecy (Secs. 60 and 61), manner of voting, which shall be by ballot (Secs. 62 and 63), counting and reporting the vote, etc. (Sec. 66).

As to election expenses, every candidate must appoint an official agent ; and no payment may be made by a candidate, except through such agent, unless it be out of his own money for personal expenses to an aggregate of \$500. All sums less than \$10 must be vouched for and the bill stating particulars and a receipt produced (Sec. 78).

Penalties are laid down for bribery, treating, undue influence, etc. (Sec. 80.)

No unincorporated company or association, except those incorporated for political purposes alone, shall contribute towards the expenses of any candidate at an election or in aid of any political party or association, etc., or in furtherance of any political purpose whatever (Sec. 10).*

Persons who are not electors and are not residents of Canada are forbidden to canvass at elections. (Sec. 11).

* This clause is meeting with opposition from the Canadian Council of Agriculture.

The conveyance of electors to the polls for hire and the payment of expenses, wages, etc., of electors are forbidden. (Secs. 12 and 13.)

Employers shall give their employees two hours for voting. (Sec. 15.)

Railway employees, sailors, commercial travellers and every person whose employment is such as to necessitate from time to time his absence from his ordinary place of residence, may vote, if necessary, in advance of polling day. (Sec. 100.)

Provision is made for empowering judges to recount votes if the circumstances require such action. (Sec. 70.)

DEBATE IN HOUSE OF COMMONS.

Introducing the Bill in the House of Commons on 11th March,

The Minister of Militia and Acting Solicitor General (Hon. Hugh Guthrie), said that the purpose of the Bill was threefold ; to fix a uniform franchise throughout the Dominion ; to provide a uniform method for the preparation of voter's lists ; and to provide a simple and satisfactory method for the conduct of elections.

The franchise was to be established upon very broad principles. "The only requirements," he said, "will be those of British citizenship, residence in Canada for one year, and in the particular constituency for ten months, and the attainment of the age of twenty-one years ; these requirements will apply in the case of male and female voters alike."

In regard to the preparation of voters' lists Mr. Guthrie explained that the principle adopted was that the existing lists in any province, which were authorised by law for use in provincial elections, should be utilised in Dominion elections, provided that they were not more than one year old, or that not longer than twelve months had elapsed between the completion of such lists and the issue of a writ for the Dominion election. But power was given to add to the provincial lists, names which should be added, and to take away from them names that should be taken therefrom.

When no such provincial lists existed the principle adopted was, in urban districts, that of registration and, in rural municipalities, that of registration by way of enumeration.

The machinery provided by the Bill for the conduct of elections did not differ very greatly from the machinery which had been utilised in this country during the past thirty years. There were one or two innovations—the Bill proposed to abolish the office of Clerk of the Crown in Chancery, and to substitute an official to be known as the General Electoral Officer, who should be a parliamentary counsel of the House of Commons and a permanent officer. There were other innovations such as the provision for advance polls, to enable railway employees and other persons whose usual business took them away from

home from time to time to record their votes. The Bill had been prepared with the idea of bringing about uniformity in all parts of Canada; and he thought, after analysing the measures, they would come to the conclusion that the Bill had been prepared upon the foundation of equality and justice in every part of the Dominion.

In answer to questions, Mr. Guthrie stated that any disability which took place under the Naturalisation Act would continue. Any person who under that Act was precluded from naturalisation could not vote, because he was not a British subject. The only disfranchisement clause in regard to naturalisation was the provision which was in their former law: That no person should claim to be a British subject by reason of marriage or relationship with any other person.

In answer to the Leader of the Opposition (Hon. W. L. Mackenzie King), Mr. Guthrie said that there was an exception to the statement that the basis of the franchise under the proposed Act was citizenship. It provided that when any person was disqualified by reason of race under the laws of any province from voting at any election in the province, the disqualification was continued for the purpose of the Dominion elections.

In moving the second reading of the Bill on 25th March, **Mr. Guthrie** said that there was a special act in force at the present time which made provision both for the franchise and for the conduct of an election, but that Act was especially limited to by-elections. They would certainly find themselves in rather an uncertain situation as to whether they had in Canada at this time any adequate law either to fix the franchise or govern the conduct of a general election. The War-time Elections Act and the Military Voters' Act were undoubtedly in the nature of war measures. The former provided among other things that the wives, mothers, sisters, and daughters of persons serving in the military and naval forces of Canada overseas should be entitled to vote.

In recalling the history of Canadian franchise, Mr. Guthrie stated that in the early days it was very strongly urged that the right was inherent in the provinces to fix the franchise and establish the voters' lists which should be used in the election of their representatives to the Federal Parliament. In the Conferences which led to Confederation, the delegates of the provinces worked out their agreement upon the principle that the federal government should have all legislative power which should thereafter pertain to the Dominion as a whole and that only the residue should belong to the provinces. Under Section 92 of the British North America Act were gathered together all the subjects upon which the provinces had the exclusive right to legislate. He challenged

anyone to find in Section 92 a hint in respect to a Dominion franchise or election.

For practical purposes there was throughout the length and breadth of Canada an established franchise which had uniform operation throughout the nine provinces. There would be no difficulty now in a uniform system. They were imposing nothing new or wrongful on any provinces. They would impose upon Quebec and Prince Edward Island womanhood suffrage. He had heard it said that it was much against the will of the people, but there was no compulsion in the way of voting under this Bill.

The Hon. Mackenzie-King (Liberal, Leader of the Opposition) thought that this was one of the most important measures that could come before Parliament at any time. Through the war their political institutions had suffered along with everything else; public confidence had, to a certain extent, been shaken in the institution of Government itself. First and foremost they welcomed the feature of the Act that proposed to repeal at one stroke all the legislation which the Government had enacted respecting the franchise since the time it took office. While they acquiesced heartily in the principle of the Bill in so far as it meant a new franchise, there were many provisions which they would like to see modified. The Acting Solicitor General had drawn his attention to a section in the Act with respect to provision in provincial legislation regarding the rights of voters where considerations of race were concerned. He imagined that every member of the House would feel that there should be no exceptions with reference to the rights which might accrue in virtue of British citizenship.

This legislation, as he saw it, sought to extend the system of enumeration. The Government should seek to restrict the work of enumeration as much as possible, and as far as practicable take lists that were approved and accepted locally, or approved provincially. The system meant haste in the preparation of lists by an army of enumerators, with arbitrary powers, no useful checks, and opportunity for all kinds of errors and frauds.

Mr. F. F. Pardee (Liberal, Lambton, W. Ont.) declared that this Bill meant that any person who, by reason of being an alien enemy, was not now entitled to apply for naturalisation, or who could not be naturalised under the law as it stood at present, could not vote for a period of ten years. No man or woman of alien birth would come to Canada unless they knew that they would have a right to a voice in Canada's affairs. There was only one thing for them to do, and that was to attempt to unite all the peoples in the Dominion of Canada into one great whole. They should bring them to the

idea that they were Canadians first and members of the British Empire, and that only as Canadians could they go on and make for the great destiny that was open to them.

Mr. A. R. McMaster (*Liberal, Brome, Que.*) held that once they gave naturalisation to people, no matter whence they came, they must be given full rights and those rights included the right to vote. An Act such as this passed by the second, if not the first, of the members of the British Commonwealth could not but tend to hurt the relationship which should exist between Great Britain and her Eastern Ally, Japan. Their fellow British subjects in India were also attacked by this Bill.

Mr. W. D. Euler (*Liberal, Waterloo N. Riding, Ont.*), said that a careful study of the Bill, together with a study of some of the provisions of the Naturalisation Act passed last year, disclosed the fact that this Bill would disfranchise many more British subjects than were disfranchised under the war-time Election Act. They had in Canada about 115,000 of male naturalised citizens of former enemy alien origin. These people were British subjects, although of German or Austrian birth. The Bill said they could not vote unless they became personally naturalised. The Naturalisation Act forbade such naturalisation. Therefore, it was a fact that if the Bill passed as drafted, probably something like 100,000 British subjects would be deprived of the right to vote at the next election, and perhaps for a period of ten years altogether.

The Minister of the Interior (*Hon. A. Meighen*), speaking on 26th March, explained that the Naturalisation Act passed in the first session of 1919, was an Act to determine Canadian naturalisation in such a manner that a person naturalised in Canada would thereby become naturalised for all purposes of the British Empire, that wherever he might be, he would be deemed a British subject. The Act as then passed was enacted in conformity with British legislation, Part 2 of which was adopted, he believed, by all the Dominions of the Empire, thereby establishing what might be termed Empire Naturalisation.

The purpose of the legislation of 1919 was to impede for a period of ten years, the admission into citizenship of the British Empire of those who were enemy subjects. There was no thought that those who were British subjects at that time should be affected in any way whatsoever by Section 8 of the Naturalisation Act. Section 29 of this Act provided that those who had become British subjects, not by birth, but by naturalisation—naturalisation not based on the personal qualification of the subject, but resulting from the operation of the law alone—those subjects must show the same qualification that British subjects should have before being admitted to the franchise.

The Hon. W. S. Fielding (*Liberal, Shelburne and Queen's, N.S.*) thought there were two stages at which there arose very strong temptations for the Government of the day to exercise an undue influence; with regard to the preparation of the electoral lists and to the appointment of returning officers. He thought it was a great pity that they could not have in every province provincial lists adopted for Dominion purposes.

After further discussion, the House went into Committee on the Bill on 26th March.

INDIAN ACT AMENDMENT BILL.

This Bill, which passed its first reading on 12th March, amends the Indian Act of 1906 so as to facilitate the enfranchisement, education of Indians,* etc.

The Bill seeks to empower the Governor-General in Council to establish day, industrial or boarding schools for Indian children of any reserve or district designated by the Superintendent-General, or to declare any school to be an industrial or boarding school for the purposes of this Act. Every Indian child between the ages of seven and fifteen who is physically able shall attend school, provided that no Protestant child shall be assigned to a Catholic school and *vice versa*. Penalties for truancy are imposed.

The Bill also provides that the Superintendent-General may appoint an officer to report as to the fitness of an Indian to be enfranchised; and, on approval of the report, the Governor-General in Council may enfranchise such Indian, who, with his wife and children, shall thereafter enjoy the rights and privileges of His Majesty's other subjects.

Other provisions include the issue of patents to enfranchised Indians for their lands, the disposal of claims on the funds of the band, the enfranchisement of Indian bands as a whole, and penalties for gambling and drinking or possessing liquor on an Indian reserve.

Any Indian woman who marries any person other than an Indian ceases to be an Indian in every respect within the meaning of the Act.

In moving for leave to introduce the Bill on 12th March, **The Minister of the Interior (Hon. A. Meighen)** explained that the Bill contained many important modifications of the Indian Act. Its principal clauses looked to a more ready enfranchisement of the Indian or the elevation of the Indian to the status of a citizen. The old Act in its original form contained certain provisions to that end which were very slow of execution.

* In reply to a question by Mr. Cannon (*Dorchester, Que.*), the Minister of the Interior (Hon. A. Meighen) on 29th March stated that there were 1,625 Indian reserves in Canada. There were 105,998 Indians distributed among the provinces as follows: Alberta, 8,837; British Columbia, 25,694; Manitoba, 11,583; New Brunswick, 1,846; Nova Scotia, 2,031; Ontario, 26,411; Prince Edward Island, 292; Quebec, 13,366; Saskatchewan, 10,646; North-west Territories, 3,764; Yukon, 1,528.

This Act was general in its terms and looked to the enfranchisement of all who were fit to be enfranchised. Other clauses made clearer provision for the compulsory education of Indian children.

The Bill was read a first time and subsequently, on the motion of Mr. Meighen, referred to a special committee.

DIVORCE BILL.

This Bill which regulates matters relating to divorce and gives jurisdiction over them to the superior courts of each province, was read a first time in the Senate on 2nd March, 1920.

The Bill provides that the Exchequer Court of Canada shall have jurisdiction throughout Canada where either of the parties is domiciled in Canada, and the Superior Court of each Province shall have jurisdiction within the Province where either of the parties is domiciled in such Province, over all matters relating to marriage and divorce, and may declare any marriage dissolved for :—

(A) Adultery ; or

(B) Bigamy ;

and may declare any marriage null and void :—

(A) At the suit of the injured party, for the incurable physical impotence of a party to a marriage which existed at the time of the marriage ;

(B) For duress, coercion or want of consent, at the suit of the injured party, unless such party has by his conduct confirmed the marriage ;

(C) For kindred within the degrees prohibited by the laws of the province now in force ; provided that no marriage shall be declared null and void because the woman is a sister or a daughter of a sister of a deceased wife of the man ;

(D) For insanity, at the time of the marriage, of either of the parties ;

(E) At the suit of the husband, when the wife is pregnant at the time of the marriage by a man other than her husband, if the husband was ignorant of the pregnancy at the time of such marriage and has not after the discovery of pregnancy by his conduct confirmed the marriage ;

(F) At the suit of the injured party, when the other party wilfully refuses to consummate the marriage ;

Provided that no marriage shall be considered null and void after the death of one of the parties unless the marriage was void *ab initio*.

In any suit instituted for the dissolution of marriage the same relief may be given to the respondent on the counter-charge of adultery to which he or she would have been entitled if a petition seeking for such relief had been filed.

The Court is to be satisfied of the absence of connivance at or condonation of adultery on the part of the petitioner or of collusion between the parties. In cases where the Court is not satisfied as above, or that the alleged adultery has been committed, it shall dismiss the case.

Every decree of dissolution or nullity of marriage must in the first instance be a decree *nisi*, not to be made absolute until the expiration of at least three months, during which period any person may give information regarding the case to the Attorney-General, who, if he suspects collusion, by the leave of the Court may intervene in the suit. In every case of a petition for the dissolution of marriage the Court may, if it sees fit, direct all the necessary papers to be sent to the Attorney-General, who may argue any matter before the Court. After the period limited for appealing has expired the respective parties may re-marry, but no minister is liable to any penalty for refusing to solemnise the marriage.

Other clauses of the Bill provide that the husband and wife shall be competent and compellable witnesses; that the domicile of the wife shall be fixed by the same laws as apply to a man (the law that the domicile of a wife shall be that of her husband shall not apply); and that no report of the proceedings shall be published, except by order of the Court, until after the final determination of the case, and then only with the approval of the Court.

Provision is made for the powers of the Special Divorce Courts in the Provinces of Nova Scotia, New Brunswick and Prince Edward Island to be transferred to the Supreme Courts of these Provinces.

LOANS TO FOREIGN COUNTRIES.

On 10th March, in answer to a question in the House of Commons by Mr. A. L. Desaulniers (Liberal, *Champlain, Que.*),
The Minister of Finance (Hon. Sir Henry Drayton) gave the following information on Canada's loans to foreign countries:—

Total advance entered into and still unpaid:
 Italy, \$6,003,301.20; France, \$5,519,047.60; Greece, \$8,119,347.86; Belgium, \$1,735,634.58; Rumania, \$22,542,223.76. In regard to France, Greece, Belgium and Rumania the Minister of Finance informed the House that the Dominion Government had agreed to make advances up to \$25,000,000 to each country for the purchase in Canada of Canadian products for a period ending 31st December, 1919.

JAPANESE AND CHINESE POPULATION IN CANADA.

On 29th March, in reply to a question by Mr. E. W. Tobin (Liberal, *Richmond and Wolfe, Que.*),

The Minister of Immigration and Colonisation (the Rt. Hon. A. L. Sifton) stated that in 1911 there were 9,021 Japanese and 27,774 Chinese residing in Canada. 7,534 Japanese and 4,883 Chinese had been naturalised as Canadian citizens under the Naturalisation Act of 1906 and the amendments of 1907-8 and 1914. 106 Japanese and 25 Chinese had been naturalised under the Naturalisation Act of 1914.

AUSTRALIA.

Commonwealth Parliament.

*The Second Session (Seventh Parliament) of the Commonwealth Parliament terminated with the Prorogation on the 28th October, 1919.**

That part of the Session which commenced on the 25th June was dealt with in the January issue of the JOURNAL up to the date of the last Parliamentary Hansards which had reached England. The following summary deals with the latter portion of the Session up to the date of the Prorogation.

The Parliamentary Session of 1920 was opened by the Governor-General on 26th February, and the proceedings of this Session will be dealt with in the next number of the JOURNAL.

TERMINATION OF THE PRESENT WAR (DEFINITION) ACT.

The Bill was introduced into the House of Representatives on 22nd October, passed by the Senate on 24th October, and received Assent on 28th October, 1919. It gives power to declare by proclamation the date of the termination of the war.

The Act provides that the Governor-General may, by proclamation, declare what date shall be deemed to be the date of the termination of the war or hostilities, such date to be as nearly as may be the date of the exchange or deposit of ratifications of the treaty or treaties of peace.

* The result of the General Election on the 13th December was given in the last number of the JOURNAL. Mr. Hughes has since announced the formation of his new Cabinet as follows :—

Prime Minister and Attorney-General	..	The Rt. Hon. W. M. Hughes
Minister for the Navy	.. ..	The Rt. Hon. Sir Joseph Cook, G.C.M.G.
Treasurer	.. ..	The Rt. Hon. W. A. Watt
Minister for Defence	.. ..	Senator the Hon. G. F. Pearce
Minister for Repatriation	.. ..	Senator the Hon. E. D. Millen
Minister for Works and Railways	..	The Hon. Littleton Groom
Minister for Home and Territories	..	The Hon. A. Poynton
Minister for Trade and Customs	..	The Hon. W. Massy Greene
Postmaster-General	.. ..	The Hon. G. H. Wise
Vice-President of the Executive Council		Senator the Hon. E. J. Russell
Honorary Minister	.. ..	General the Hon. G. Ryrie
Honorary Minister	.. ..	The Hon. W. H. Laird Smith

Where, by any Act, etc., powers are conferred on any officer and are exercisable by that officer during the continuance of the war, the Governor-General may, if he thinks fit, and notwithstanding the issue of a proclamation in pursuance of this Act, fix, as the date of the termination of those powers, an earlier date than that declared in the proclamation.

The Governor-General may, by proclamation, declare what date shall be deemed to be the date of the termination of the war between His Majesty the King and any particular State.

The Minister for Works and Railways (Hon. L. E. Groom) in moving the second reading of the Bill, mentioned that it was based upon the Imperial Act, which received the Royal Assent on 21st November, 1918.

INDEMNITY BILL.

The Bill was introduced in the House of Representatives and read a first time on 22nd October, 1919. The object of the Bill is to make provision for indemnity in relation to acts committed during the war, etc.

The Bill provides that no action, indictment or legal proceeding shall be brought, filed or instituted, in any court of the Commonwealth or of any Territory under the authority of the Commonwealth, against the Commonwealth or the Territory, or against any person acting under the authority of the Commonwealth or the Territory, in any command or capacity, naval, military or civil, or against any body of persons appointed or constituted by or under any Act or Regulation of the Commonwealth, for or on account of or in respect of any acts, matters or things whatsoever in good faith advised, commanded, or ordered, directed or done for the public safety and defence of the Commonwealth in time of war.

Any such person or body of persons is freed, acquitted, discharged, released and indemnified against the Commonwealth and all and every person whomsoever in respect thereof.

Debate on the Bill during second reading stage was adjourned on 24th October.

LEGAL PROCEEDINGS CONTROL ACT.

This Act continues, in certain directions, the protection afforded under the War Precautions Regulations by prohibiting any action or counter-claim without the consent in writing of the Attorney-General. The Bill was introduced on 21st October, finally passed on 24th October, and received Assent on 28th October, 1919.

The protection is continued in respect of the following matters arising during the operation of the War Precautions Regulations :—

Contracts or agreements relating to the sale or delivery of goods where such contracts or agreements were affected by any agreement

with or undertaking to the Government of the Commonwealth or of the United Kingdom, or with or to any Munitions Board ;

Refusal or failure to supply any person with trucks for the conveyance of wheat ;

Non-performance of any contract for sale or delivery of wheat or flour due to action of any Commonwealth or State or any such joint authority in relation to the marketing of wheat or flour ;

Alteration made by any company in its articles of association where such alteration had for its object the removal of enemy interest, or was made in consequence of a request received from the Attorney-General ;

Dividends paid to the British Public Trustee in respect of shares standing in the name of any person who is an enemy subject in the books of any company incorporated in England and having a branch register in Australia which, had a state of war not existed, would have been payable and paid in Australia ;

Non-delivery and short delivery of any goods under any contract or agreement or for damages in respect thereof by reason of any action of the Commonwealth Shipping Board, Controller of Shipping, etc., in connection with the movements and use of vessels for the distribution of goods during the war ;

Libel and slander proceedings by persons alleged to be enemy subjects, etc., provided that the Attorney-General is satisfied that the statement or implication was not made maliciously or recklessly ;

Refusal to employ or work with persons alleged to be enemy subjects or disloyal.

NAVIGATION ACT.

This Act, which was passed on 23rd October, 1919, amends the Navigation Act, 1912, by providing that it shall not be necessary to proclaim the whole Act to commence on the one date, but that the several parts, divisions, sections, and schedules may be proclaimed to commence on such dates as are respectively fixed by proclamation.

The principal Act of 1912, which was not proclaimed owing to circumstances arising from the war and other causes, makes provision for the control by the Commonwealth Government of all matters relating to shipping such as complement of officers and crew, rates of wages, accommodation, supply of seamen, apprentices, rating of seamen, agreements, provisions and stores, health, protection of seamen, property of deceased seamen, relief of seamen's families, distressed seamen, the log, inquests, foreign seamen, survey of vessels, unseaworthiness, life-saving appliances, overloading, adjustment of compasses, dangerous cargo, lights, signals, sailing rules, accidents, passengers, coasting trade, pilots and pilotage, courts of marine inquiry, legal proceedings, offences, prosecution and penalties, evidence, etc.

A proclamation was gazetted on 25th December, 1919, fixing 2nd March, 1920, as the date upon which certain sections of the principal Act relating to coastal and island trade were to be brought into force. The Commonwealth Government subsequently, on account of the unsettled condition of shipping, postponed the commencement of such sections, *sine die*, but not to be earlier than 1st July, 1920.

DEBATE IN HOUSE OF REPRESENTATIVES.

The Minister for Trade and Customs (Hon. W. Massy Greene), on moving the second reading on 17th October, said that the principal Navigation Act was probably the most comprehensive measure ever passed by the Commonwealth Parliament. It was the work of several Governments, and was passed with the unanimous approval of every party in Parliament. The Government were desirous, at the earliest possible moment, of proclaiming the sections relating to coastal trade, not merely to keep faith with the seamen, but also in order to conserve to the Commonwealth its coastal trade, or, at all events, to prevent from engaging in that trade people who were not complying with the same conditions in regard to wages, accommodation and rations as were imposed on Australian shipping. With the exception of the British Islands and Germany—which had no coastal trade—every country in the world insisted upon keeping its own coastal trade for its own people. America had carried the policy so far as to insist that a vessel travelling from New York round Cape Horn to San Francisco was still engaged in the coastal trade, and would not allow any foreign vessel to participate in it. Another important purpose of the Bill was to apply the coastal trading sections of the principal Navigation Act to the territories under the control of the Commonwealth, or which would pass under the control of Australia in accordance with the mandates given under the Treaty of Peace. Every care would be taken not to interfere with the inter-island trade carried on by the natives. Apart from the fact that the tremendous amount of work involved in assuming all the functions for which the Navigation Act provided would necessitate considerable delay, owing to the abnormal conditions which existed in the shipping world generally, it was not desirable to proclaim the Navigation Act in its entirety. Therefore, the present Bill would enable the Government to proclaim any part of the principal Act which was necessary for their purposes. Any vessel flying the flag of any country, including Great Britain, engaging in the island trade must comply with exactly the same conditions as were imposed on Australian ships. There was not the slightest doubt that for a number of years Australia would have to foot a considerable bill for the development of the islands which were the subjects of the mandates, and, in the circumstances, it was only fair that, as far as possible, the trade of the islands should be secured for Australia. The Act did not raise the question of the employment of coloured labour.

In reply to a question as to whether the Bill would affect Dutch vessels sailing from Singapore to Sydney via Rabaul,

Mr. Massy Greene said that any Dutch vessels calling at the islands to lift copra and bring it to Sydney, or carrying goods from the mainland to the islands, must comply with the Australian conditions. Those vessels must be structurally altered to provide the accommodation for the crew as specified in the Act, and that condition would necessarily be observed on the coast and at sea. They would also pay the same rates of wages while trading on the Australian coast.

DEBATE IN THE SENATE.

During the debate on the second reading on 23rd October,

The Vice-President of the Executive Council (Senator the Hon. E. J. Russell) said that whilst he was anxious to see the entire Act proclaimed at an early date, complications would inevitably result from its immediate proclamation, consequently it was proposed to proclaim only certain sections of it. The sections relating to accommodation on ships would be proclaimed at a later stage. The present measure did not apply to load-line. The delay in proclaiming the whole of the Act had been caused by the difficulty in framing the necessary regulations. The remaining sections would be proclaimed from time to time. The intention of the Government was to bring the whole Act into force at the earliest possible moment. The proclamation of the original Act was postponed during the war by common consent. The delay was agreed to at the request of the British Government.

The Bill passed both Houses without amendment.

LAND, MINING SHARES AND SHIPPING ACT.

The Bill was introduced in the House of Representatives on 22nd October, passed by the Senate on 24th October, 1919, and received Assent on 28th October.

The object of the Act is to continue in force, until 31st December, 1920, the regulations under the War Precautions Act relating to Land Transfer, Enemy Shareholders, Mining and Shipping, and empowers the Governor-General to make regulations, etc., under the Act.

The Act provides for a penalty for contravention, etc.—£100, or imprisonment for six months or both.

LAND.

The War Precautions (Land Transfer) Regulations forbid, in the case of enemy subjects, the transfer of land; lease for more than five years; assignment of lease of which a period of more than five years is unexpired; or mortgage or encumbrance.

This applies also to naturalised subjects of enemy origin, etc., unless specially exempted by the Minister, and also to disloyal persons of enemy parentage.

MINING.

The War Precautions (Mining) Regulations provide that no contract or agreement for the purchase or acquisition of any mining or metallurgical company or business, or of any share or interest therein, or of any security issued by such company, etc., for the purpose of raising money by or on behalf of any person other than a natural-born British subject, shall be entered into or made unless the consent of the Minister has first been obtained.

This applies also to a woman born in the British Dominions who is the wife of a person other than a natural-born British subject and to any disloyal person whose father was or is an enemy subject.

No mining lease is granted for a term of more than five years to any person other than a natural-born British subject.

ENEMY SHAREHOLDERS.

The War Precautions (Enemy Shareholders) Regulations provide for transfer to the Public Trustee to be held until twelve months after the end of the war, or sold, any shares held by enemy subjects, including companies whether incorporated in an enemy country or not, or any firm carrying on business in the Commonwealth or elsewhere which the Minister has declared to be managed or controlled directly or indirectly by or under the influence of, or carried on wholly or mainly for the benefit of or on behalf of persons of enemy nationality, or resident or carrying on business in an enemy country.

Dividends on shares subject to these regulations shall be paid to the Public Trustee.

Naturalised persons of enemy origin, and the wife or widow of an enemy subject, who, prior to marriage, was a natural-born British subject, are included unless exemption has been applied for and granted by the Minister.

The regulations apply also to shares held on behalf of enemy subjects, etc., or jointly held, and shares of such beneficiaries under wills, etc.

The whole or portion of the proceeds of the sale of any shares may be paid to the former holder, or in satisfaction of any Commonwealth or State taxes, Municipal rates and taxes, or judgment, or to the assignee in bankruptcy of the estate of the former holder, etc.

The Public Trustee may invest any moneys held by him in pursuance of these regulations in securities of the Government of the Commonwealth, or of the United Kingdom, or by deposit on loan to the Commonwealth Bank of Australia, etc. He is entitled to retain towards the cost of investment a fee equivalent to 5 per cent. of the amount of interest accruing from such investment; the remainder of the interest, unless otherwise directed by the Minister, to be paid to or for the benefit of the former holder.

SHIPPING.

The War Precautions (Shipping) Regulations provide for the control of shipping generally, and under these regulations the Shipping Controller, etc., were appointed.

No vessel registered in Australia or engaged in the coasting trade or any share in such vessel may be transferred unless the consent of the Prime Minister has first been obtained.

No acquisition of any ship or of the property therein, or of the right to control the movement, use, control or disposal of any ship by virtue of the power contained in any State Act, shall be valid unless and until the consent of the Prime Minister has been obtained.

No vessel registered in the Commonwealth or of any nationality under time charter to any person resident or carrying on business in the Commonwealth may leave the Commonwealth for any port abroad without consent; likewise any British vessel with more than 10 per cent. of cargo space unfilled. This provision does not apply to ships in the regular trade between the Commonwealth and New Zealand or the Pacific Islands.

Provision is made for the furnishing of statutory declarations stating that goods have been packed under efficient and trustworthy supervision.

The rates of hire payable in respect of requisitioned vessels are prescribed in the regulations.

An amendment moved in the House of Representatives for the exclusion of the Shipping Regulations was negatived by 26 votes to 5.

ALIENS REGISTRATION BILL.

This Bill, which was introduced into the Senate on the 27th August, 1919, adapts some of the provisions contained in the Aliens Restrictions Order and the War Precautions (Aliens Registration) Regulations.

The Act provides for the registration of :—

Every alien resident in the Commonwealth at the commencement of the Act ;

Every alien who enters the Commonwealth as a passenger or a member of the crew of an oversea vessel on arrival at the first port of call in the Commonwealth ;

Every child of an alien resident in the Commonwealth, not being a child who is by birth a natural-born British subject, within one month after he attains the age of sixteen years ;

All aliens are required to notify any change of name, and change of place of abode ; all hotel and boarding-house keepers must keep a register of all aliens resident on their premises, and employers a register of all aliens in their employ.

The following aliens are exempt from the provisions of the Bill :—

Foreign consuls and their staffs ;

Aliens exempted by or under the authority of the Minister ;

The master and crew of any public vessel of any Government ;

Any alien exempted by or under the War Precautions (Aliens Registration) Regulations is also exempted.

DEBATE IN THE SENATE.

The Vice-President of the Executive Council (Senator the Hon. E. J. Russell), in moving the second reading of the Bill on 11th September, said that it was generally understood that there were undesirable aliens who wished to enter Australia and that it was necessary that the control which had been exercised over aliens who came into Australia during the war should continue. The restrictions proposed in the Bill were not so stringent as those in existence during the war. Under the War Precautions Regulations, aliens had been compelled to report to the police authorities from time to time. Under the Bill, as a record would be kept, they would not be required to report in that manner. Any alien passing through the country with a passport would not have to register, but would have to obtain a certificate to enable him to move freely from place to place. He would not be compelled to register as an alien until he became a permanent resident without being naturalized. Generally speaking, it would not be necessary to appoint registration officers, as the services of the police would be utilized in that respect. These officers would be empowered to obtain the signature and finger-prints of any alien in the case where there was reasonable suspicion that a man was a criminal escaping from another country. In the case of Australian wives of present aliens and Australian-born children of aliens the Bill followed the lines of the Naturalization Act, which was based on the British law, under which the wife takes the nationality of her husband. If an Australian woman went to Germany with her husband and returned to Australia, unless she was naturalized again she would be considered a German, and would have to register. Australian-born children of alien parentage would be British under the British naturalization laws, but a child of alien parentage on reaching the age of sixteen years would be treated as an alien and would have to register. The measure was merely intended to enable proper control to be exercised over dangerous characters. There was no reason, for instance, why a man coming from America on a business mission should be harassed, when the object of his mission was well known.

Senator the Hon. A. Gardiner (Leader of the Opposition), although he did not object to the registration of foreigners who entered the Commonwealth, was strongly opposed to the Bill, which would unwarrantably interfere with business people, and would accomplish nothing. He referred to the inconvenience to which sea captains, hotel and boarding-house keepers, and employers would be put in keeping registers, and to the cross-examination to which every traveller would be subjected when seeking hotel

accommodation. Of the 30,000 to 40,000 enemy aliens in Australia, only 6,000 to 7,000 had been interned during the war, and he thought they had conducted themselves in such a way as to give no trouble to the Government. The Bill was unnecessary, unwise and an unjust interference with the rights of the people of Australia. He questioned the right of the Commonwealth Government to interfere with the business conduct of any private person within any State. They had no right to legislate with respect to what a hotel keeper or boarding-house proprietor should do within any one State. The Commonwealth Government might legislate in regard to aliens entering the country but could not compel private citizens to become their agents by constituting them the keepers of records and furnishers of information.

Senator John Grant (*N.S.W.*) could not see what purpose the Bill would serve. There was nothing in it to prevent an undesirable foreigner from making his home in Australia with a private citizen and thereby escaping the necessity of registration. If the Government intended to reserve the country exclusively for the British nation, they should legislate solely for that purpose.

This Bill had not progressed beyond the debate on the motion for second reading when Parliament was prorogued on 24th October, 1919.

MATRIMONIAL CAUSES (EXPEDITIONARY FORCES) ACT.

The Bill was introduced in the House of Representatives on 9th October, passed by the Senate on 23rd October, and received Assent on 28th October, 1919.

The object is to apply to Australia the provisions of the Imperial Act dealing with marriages contracted in the United Kingdom by Dominion troops during the war.

It provides, as from the coming into operation of this Act, for the application to the Commonwealth of the Imperial Act known as the Matrimonial Causes (Dominion Troops) Act, 1919, which Act enables the competent court in the United Kingdom to entertain proceedings for divorce, judicial separation, and restitution of conjugal rights in respect of marriages contracted during the war in the United Kingdom by members of His Majesty's Forces domiciled in the self-governing dominions or other possessions and protectorates.

The Imperial Act does not apply in any case where the parties to the marriage have at any time since the marriage resided together in the country of the husband's domicile, or to any proceedings commenced after the expiration of one year from the passing of the Imperial Act.

INVALID AND OLD AGE PENSIONS ACT.

This Act amends the principal Act by increasing the invalid and old age pensions to 15s. per week, and the pensioner's income, together with pension, to £65 per annum.

The Bill was introduced in the House of Representatives on 24th October, finally passed by the Senate the same day, and received assent on 28th October.

The Hon. A. Poynton (Honorary Minister) in moving the second reading said that the purpose was to give effect to the proposed increase of the maximum rate of pensions from 12s. 6d. to 15s. per week. On 30th June, 1919, the total number of old age pensioners was 95,969, and of invalid pensioners 31,999, or a total of 127,968, and the annual payment amounted to £4,037,015. The proposed addition would take effect as from 1st January, 1920.

State Parliaments.

As announced in the first number of the Journal, some of the more important legislation of the Australian State Parliaments will be included in the Journal from time to time, including the summary of the Parliamentary discussions when these are necessary to the understanding of the matter dealt with.

Several of the Acts referred to in the following summary received very little criticism in the respective Parliaments.

New South Wales.

RETURNED SOLDIERS AND SAILORS EMPLOYMENT ACT.

This Act, to ensure that employers give preference in employment to returned soldiers and sailors, received assent on 16th December, 1919.

The Act provides :—

(A) That every employer shall give preference in employment in any profession, business or industry to a returned soldier or sailor who is capable of performing such employment, as against any other person offering his services at the same time ;

(B) That every returned soldier or sailor who is mentally and physically fit and whose employment was terminated or suspended by enlistment, etc., shall within reasonable time be re-employed by his former employer or the latter's successor in as nearly as practicable the same position as that held immediately

prior to enlistment provided he applies for re-employment within six months from the date of the commencement of this Act or within six months from the termination of his enlistment or engagement on service, and provided that the position has not been abolished or given to a discharged soldier or person who was, at all times during the war, married or who was a widower with dependent children.

Under the Act a Board of five members is constituted, three of whom shall be returned soldiers, to assist discharged soldiers and sailors to obtain employment, and for that purpose may require any employer of labour to furnish relative statistics and data. The Board may grant pecuniary assistance to any discharged soldier or sailor for whom it is unable to find suitable employment.

Applications for employment may be made to any Labour Exchange, the applicant indicating in order of preference the occupation he desires to follow. Employers shall also make application for employees through the Labour Exchange, but if suitable applicants are not forthcoming within seventy-two hours, they may engage employees without further reference to the Labour Exchange.

Any employer who contravenes any of the provisions of the Act is liable to a penalty not exceeding £100.

SECRET COMMISSIONS ACT.

This Act, for the prohibition of secret commissions, and for the prevention of fraud, was assented to on 9th December, and is the outcome of the conference of State Premiers held in 1918 at which it was resolved that uniform secret commission laws should be passed by the several State Governments.

The Governments of Victoria, South Australia, West Australia, and Tasmania have already passed legislation on the subject.

The chief offences against the Act are :—

The giving to or receipt and solicitation by an agent of a valuable consideration as a reward for doing or forbearing to do any act in relation to his principal's business.

The receipt or solicitation of a valuable consideration by relatives or employees of an agent from any person having business relations with the agent's principal without the consent of the agent.

The giving to or receipt by an agent with intent to deceive his principal of any receipt, invoice or other document which contains false statements or an overcharge, or in which any commission discount, etc., is not fully stated.

The gift of a valuable consideration to induce the recipient to enter into a contract with a third person or to vote for or aid the third person in obtaining election as trustee, director, manager or official.

The offer to and acceptance by a trustee of a valuable consideration without the consent of the beneficiaries in the estate or Judge

of the Supreme Court as an inducement to allow another person to be appointed in his stead.

For the purposes of the Act the term "agent" includes any corporation, firm or person acting on behalf of any corporation, etc., whether as agent, partner, or employee.

"Valuable consideration" means any money, loan, office, employment or benefit whatsoever, or any forbearance to demand any money or other consideration.

Penalties: In the case of corporation, etc., not exceeding £1,000; persons—imprisonment for any period not exceeding six months or penalty not exceeding £500.

Victoria.

LICENSING ACT.

This Act, to amend the Licensing Act, 1915, is mainly directed towards making permanent certain restrictions in regard to the sale of liquor imposed during the war, and was assented to 19th December.

The Act regulates the hours between which liquor may be sold as follows:—

(A) Any victualler's licence, Australian Wine Licence, and any other licence, except a temporary victualler's licence, between the hours of 9 a.m. and 6 p.m.

(B) Temporary Victualler's Licence—between the hours of 10 a.m. and 6 p.m.

The principal Act of 1915 authorised the sale of liquor between 6 a.m. and 11.30 p.m.; the Intoxicating Liquor (Temporary Restriction) Act, 1915, between 9 a.m. and 9.30 p.m.; and the Intoxicating Liquor (Temporary Restriction) Act, 1916, between 9 a.m. and 6 p.m., which latter was confirmed by the Licensing Amendment Act, 1916.

The Act repeals the provisions in the principal Act whereby permits were granted to licensed victuallers in the vicinity of wharves, markets and railway stations to sell liquor at earlier and later hours than those specified. It provides, however, for the granting of permits to licensees of railway refreshment rooms which are not within the City of Melbourne or twenty miles thereof, to sell liquor outside the authorised hours to persons who have travelled not less than twenty miles by train, but such sale not to take place beyond a period of twenty minutes after the arrival of the train.

The provision in the principal Act in regard to the extension of time for the sale or supply of liquor in a registered club on any special occasion is repealed. The provisions in the principal Act, however, as amended by the Licensing Act, 1916, permitting the sale of liquor with *bona fide* meals in any licensed premises or registered club until not later than 8 p.m., still stand. Likewise the sale of liquor to *bona fide* travellers on Sundays, which in the principal Act was limited to persons who had travelled ten miles and in the amending Act of 1916 to twenty miles.

The registration of barmaids is also dealt with and permission may be granted to any person who was employed as a barmaid for a continuous period of three months prior to 1st January, 1916, to register as a barmaid. Otherwise no females are permitted to serve in any capacity in or about a bar whilst it is open other than the wife, sister or daughter of a licensee or a partner thereof or the licensee being a woman.

Provision is also made for the regulation of the sale of non-intoxicating beverages on licensed premises. Permission may be granted for the sale of such beverages between the hours of 6 p.m. and 10.30 p.m. on any day other than Sunday provided they are not sold or consumed in the bar between these hours. Similar permission may be granted for the use of billiard and bagatelle tables.

CHILDREN'S MAINTENANCE ACT.

This Act, to make provision with respect to certain children without sufficient means of support, was assented to 9th September, 1919.

The main provisions of the Act are as follows :—

Any mother whose child is without sufficient means of support, and who is unable to provide or obtain by legal proceedings sufficient means of support for such child, may, on application, be granted a weekly sum of not less than six shillings or not more than twelve shillings, unless exceptional circumstances warrant the payment of a larger sum. Such payments to cease when the child reaches the age of fourteen years, but may be continued for a period not exceeding two years in special circumstances.

Payments of such assistance shall cease if a mother is guilty of conduct rendering her unfit to have the custody or is not properly maintaining the child, in which case the child shall become *ipso facto* a ward of the Department of Neglected Children. If a mother, through illness or other cause not within her control, becomes incapable of maintaining such child, some other fit person may be appointed to have the care and maintenance of the child and receive the payments in respect thereof.

Where any child is without support, and no legal proceedings can be taken to obtain such support, the mother, or any relative, or any member of the Police Force of higher rank than that of sergeant, may make application and the child become a ward of the Department of Neglected Children.

The Act is administered by the Department of Neglected Children, the Secretary of which may cause any person who he believes to be in a position to do so to furnish a report of the circumstances of the applicant or the husband (if any) or children of the applicant. The application and report shall then be investigated by a Police Magistrate, who shall make a recommendation as to whether or not assistance should be granted.

Every father, stepfather, or any person against whom an order of affiliation has been made as the putative father of an illegitimate child towards the maintenance of which a sum is paid, shall be liable to pay in periodical sums an amount not exceeding the aggregate of the sums paid for the maintenance of the child.

The children shall be under the medical care of the Medical Officer appointed under the Neglected Children's Act 1915.

Queensland.

WORKERS' HOMES ACT.

This Act, to make better provision for Workers' Homes, was assented to on 17th November, 1919.

The chief provisions of the Act are :—

Creation of a fund called "The Workers' Homes Fund," out of which land may be acquired by agreement or compulsorily and houses erected and sold to *bona fide* workers, a "worker" being a person who is employed in work of any kind and who is not the owner of a dwelling-house in Queensland or elsewhere, and whose net income does not exceed £260 per annum.

The purchasing price of the home is fixed by the Minister, but is not in any case to exceed the capital cost of the home to the Minister. The capital cost includes the cost of erection or acquisition and in addition an amount equal to simple interest at the rate of five pounds per centum per annum on such cost from a date to be fixed by the Minister to the date of the execution of the contract of sale of the home.

On execution of the contract of sale the purchaser deposits five pounds per centum of the purchasing price and then becomes a tenant of the Minister at such weekly rent as will permit the whole of the purchase money being liquidated within a period not exceeding twenty years, the deposit being credited to the purchaser as part payment of the purchase price.

The weekly rent shall be a sum equal in amount to one fifty-secondth part of the interest calculated at the rate of five pounds per centum per annum on the outstanding balance at the beginning of each quarter of the year of the capital cost of the home, to which shall be added :—

(A) such instalment of the unpaid purchase money as will permit the unpaid purchase money to be liquidated within a period not exceeding twenty years ; also

(B) such sum as will be sufficient to provide for expenditure on insurance, painting and repairs of the home when required, and also to recoup the Minister of a proportionate amount for administration expenses ; also

(C) the weekly rent in respect of the perpetual lease of the appurtenant land.

The purchaser must insure his life with the State Government Insurance Office for an amount sufficient to pay the Minister, in the event of the purchaser's death, the full amount of the unpaid purchase money ; exemption from this provision being granted at the discretion of the Minister to any purchaser who is unable to pass the prescribed medical test, or on whom, by reason of age, the payment of insurance premiums would be a hardship.

South Australia.

PRICES REGULATION ACT.

(Control of Monopolies, etc.)

The object of the Act is to make provision for controlling and regulating the prices chargeable for the necessities of life, and for the control of monopolies, etc.

The Act, which is to expire on 31st November, 1921, was assented to on 4th December, 1919.

Price Fixing.

Provision is made in the Act for the creation of a "Price Regulation Commission," which shall consist of three members appointed by the Governor.

The Commission may—

From time to time, in their absolute discretion, declare any commodity to be a necessary of life within the meaning of the Act, such power not being limited to any commodities which are generally regarded as necessities of life ;

Fix and declare the maximum price at which any necessary of life may be sold and the maximum rates for carriage and delivery of commodities ;

Prohibit increase of prices without permission ;

Direct forfeiture and seizure in respect of failure to supply necessities at the fixed prices, the owner being entitled, immediately prior to forfeiture to payment at the fixed rates after deduction of penalties, etc.

Authorise search for necessities or forfeited goods.

Penalty for failure to supply necessary or carry commodity on tender of the fixed price—not exceeding £100 or imprisonment for a term not exceeding six months ; and for charging prices higher than those fixed, for the first offence—not exceeding £100 or imprisonment not exceeding six months, and double the penalty for the second or any subsequent offence.

Control of Monopolies.

Any contract made or entered into with respect to the following matters shall be absolutely illegal and void (penalty—not exceeding £500 or imprisonment not exceeding six months, and in the case of a second or subsequent offence, imprisonment for not less than twelve months) :—

Restraint of trade or commerce to the detriment of the public, or with intent to injure, by means of unfair competition, any industry the preservation of which is advantageous to the State, having due regard to the interests of producers, workers and consumers ;

Monopoly with intent to control, to the detriment of the public, the supply or price of any commodity or service ;

Unfair concessions in respect of exclusive dealing in any commodity or service, or generally, etc. ;

Refusal, absolutely or except upon disadvantageous conditions, to sell or supply to any other person any commodity or service for the reason of dealing with persons who are not members of a Commercial Trust (as declared to be such by the Commission), or of not being a member of a Commercial Trust.

In any prosecution for an offence the averments of the informant shall be deemed to be proved in the absence of proof to the contrary.

All proceedings in respect of offences against the Act, not being indictable offences, shall be disposed of summarily by the Commission.

Provision is made in the Act for taking census, publication of information, taking of evidence, acts of the Commission not being subject to review or restraint, production of books, papers and documents, witnesses, false evidence, action of Commission in conjunction with other bodies, dismissal of witnesses by employers, appeal in respect of offences, making of regulations by the Governor, etc.

DROUGHT RELIEF ACT.

The Act enables the Government to assist farmers affected by the drought by guaranteeing certain liabilities of such farmers and supplying certain commodities upon credit.

The Act was assented to on 27th November, 1919.

Under the Act the Minister may, up to 31st December, 1920, (a) enter into an arrangement with any person to whom a farmer in a drought affected area has applied for a supply of commodities on credit to guarantee the liability of such farmer in respect of such commodities. The guarantee will be a first charge upon all lands owned or held on lease by the applicant, provided the Minister gives written notice of such charge and the amount thereof to any registered mortgagee or encumbrancee on such land; and (b) supply or cause to be supplied to any farmer upon credit, seed wheat or other cereals, manure, hay, chaff, implements, live stock, flour, and any other commodities which the Minister thinks necessary for the purpose.

The Minister may grant such assistance under this Act as he thinks fit if he is satisfied that the applicant intends forthwith to put the land or part thereof under crop and is unable to do so without assistance under this Act, or requires the commodities to feed his stock, or to maintain himself and his family on such land.

No application for assistance shall be granted unless the Minister is satisfied that the applicant has been unable to obtain upon credit such commodities, etc., as he reasonably requires for the successful occupation of his land and in order effectively to carry on the business of farming or grazing such land, from the persons from whom he has been accustomed to obtain such articles on credit.

The interest on such advances shall be at a rate to be fixed by the Treasurer from time to time and shall be calculated from a date to be fixed by the Minister to the date of repayment as specified by him.

Western Australia.

DISCHARGED SOLDIERS SETTLEMENT ACT.

This Act, assented to on 3rd January, 1919, and as amended on 17th December, 1919, provides for the settlement of discharged soldiers on the land, and applies to sailors and soldiers who, before the war, were or had been resident in the Commonwealth or in New Zealand, and to their dependants. The Minister may also extend its application to include any person who, as a munition or other war worker, was employed outside the Commonwealth, and to discharged sailors and soldiers who had not at any time prior to the war been resident in the Commonwealth or New Zealand.

The Act is administered by the "Discharged Soldiers Land Settlement Board" consisting of four members, one of whom shall be a discharged soldier.

The Act provides that the Minister may set apart any areas of Crown Land for the purpose of disposal to discharged soldiers exclusively.

The land is acquired under a conditional purchase lease, and the payment of instalments of the purchase price may commence at any time not later than five years from the commencement of the lease. The price of the land is one-half of that fixed under the provisions of the Land Act 1898 for Crown Land; and any discharged soldier who was the holder of a conditional purchase lease under that Act is liable only for one-half of the balance of the purchase money as from the date of his enlistment, and one-half of the amount of the instalments paid by him prior to enlistment may be applied towards the payment of the balance of such purchase money.

The Board may also clear, drain, grade, sow, plough, fence, or erect buildings on any land set apart for the settlement of discharged soldiers, the amount of the cost so incurred to be repaid by the selector in one sum or in not more than fifty equal half-yearly instalments with interest thereon at the prescribed rate; provided that the Board may, subject to the payment of interest, postpone the instalments of principal for a period not exceeding five years. The Board may also recommend the Agricultural Bank to advance a selector a sum not exceeding £625 to assist him to clear and fence the land, erect buildings and purchase implements, such advance to be secured by a mortgage upon the land, and until repaid, with interest, to remain a charge on the crops and chattels of the discharged soldier to whom the advance is made.

The Board may purchase for a discharged soldier any alienated land which he desires to acquire, the provisions of this Act relating to land disposed of to discharged soldiers applying to land so acquired.

Group Settlement.

Crown land may be set apart as a settlement for a group of discharged soldiers, such settlements to be subdivided into blocks and called "Home Maintenance Areas." A discharged soldier may join a group, and the Board, on being satisfied as to his fitness, may allot him a block in a settlement, the title to the holding being confirmed within twelve months if he proves suitable and a conditional purchase lease granted.

Town Sites.

Allotments of Crown Lands may be set apart within town sites, or of not more than ten acres outside town sites for the purpose of erection thereon, by means of voluntary efforts and labour, and public or private subscription, of buildings for discharged soldiers. After the erection of such buildings the Minister may permit any person or body approved by him to allow any discharged soldier to occupy such allotments and buildings, and an allotment may be granted to a discharged soldier on payment of such price (if any) as may be charged for the land.

Training Farms.

The Act also provides for the establishment of training farms to enable discharged soldiers to acquire the knowledge requisite for agricultural and kindred pursuits.

Tasmania.

STATE INSURANCE ACT.

This Act, to authorise the carrying on by the State of all classes of insurance business, except life insurance, was assented to 6th January, 1920.

The following are the chief provisions:—

ADMINISTRATION.

The Act establishes the "State Insurance Office" under the control of a General Manager appointed in conformity with the Public Service Act. A "State Insurance Board" is constituted consisting of the General Manager and two other competent persons. The Board regulates the business of the State Insurance Office, and co-operates with and assists the General Manager in carrying out the objects of the Act.

BUSINESS.

The business of the State Insurance Office is conducted by the General Manager who, in his corporate capacity, has power to enter into and enforce any contract in relation to any lawful insurance business or risk with any person or company, either at the State Insurance Office, Hobart, or at branch offices throughout the State through agents appointed by him for that purpose. He may also appoint attorneys or agents outside the State for the purpose of effecting the re-insurance of risks with persons or companies outside the State. The General Manager, in his official capacity, may sue or be sued in all actions or proceedings arising out of anything done in relation to himself or the State Insurance Office or the Board. No action shall lie against the General Manager in respect of any fire loss unless action is taken within six months after the loss occurred. For the purpose of minimising the risk of insurance under the Act every municipal and other local government authority shall furnish to the General Manager all such information as he requests concerning any fact or circumstance in any way affecting the risk of insurance. Every policy issued by the General Manager under the Act is issued on behalf of and is guaranteed by the Government of Tasmania.

FINANCE.

The capital for the business is provided by the Treasury by way of loan to the General Manager of any sum or sums of money not exceeding in the whole £20,000. A Suspense Account is opened in the books of the Treasury. Interest on such advances is paid into Consolidated Revenue. Any loss arising in respect of such advances is to be made good out of moneys provided by Parliament for that purpose. All moneys received by the General Manager in respect of State Insurance business shall be paid into the Commonwealth Bank to the credit of the "State Insurance Account." All salaries, expenses, losses, re-insurance premiums, and interest payable to the Treasury shall be payable out of the State Insurance Account. All moneys in the State Insurance Account are declared to be the property of the Crown; and all moneys which, for the time being, are not required for the purpose of the account may be invested as prescribed. The General Manager shall keep in the books of the State Insurance Office separate and distinct accounts of each class of insurance business undertaken, and shall submit balance sheets to the Auditor-General in the month of August each year.

APPLICATION OF PROFITS.

If any surplus remains at the end of a financial year, after providing for all liabilities other than in respect of advances made by the Treasury, one-half of such surplus shall be paid to the Treasury in respect of such advances. So much of the balance of such surplus as the Auditor-General considers necessary shall be carried to the Reserve Fund; and, subject thereto, the balance of such surplus may be paid into the Consolidated Revenue. All moneys carried to the Reserve Fund shall be invested in such securities as may be prescribed.

GENERAL.

The provisions of any Act in force affecting insurance companies, and rendering them liable to assessment or State taxation, etc., shall extend and apply to the State Insurance Office.

Any person who objects to the ruling of the General Manager in respect to a claim under a policy issued by the State Insurance Office may, on application, require the matter to be determined by a referee whose decision shall be final except that either party may appeal against his decision on any point of law or question of fact.

REGULATIONS.

The regulations under the Act provide, *inter alia*, for varying rates of premium to be charged in connection with State accident insurance contracts; for the provision of special rates for workers specially liable to accident by reason of their age or any physical or mental infirmity; and for workers in some particular occupation where the risk in the individual case is greater than that usually involved in such occupation.

NEW ZEALAND.

*The proceedings of the first part of the sixth Session of the nineteenth Parliament of the Dominion, which commenced on August 28th, 1919, were summarised in the January issue of the Journal up to the date of the last Parliamentary Hansards which had reached England. The following summary deals mainly with the latter part of the Session up to the date of the dissolution on 27th November, 1919.**

SAMOAN MANDATE (TREATIES OF PEACE). ACT.

(Administration by Order in Council.)

The Minister of Defence (Hon. Sir James Allen) announced in the House of Representatives on the 3rd November, 1919, that the reason the Order in Council to be issued under the authority of the Treaties of Peace Act with regard to Samoa, had not been brought down, was because they had not yet received the definite terms of the mandate. The Draft Order in Council dealt, he said, with the Executive Government of Samoa and the Samoan Public Service.

The Imperial Government passed an Order in Council on the 11th March, 1920, whereby, after reciting that, under the Peace Treaty, the Islands of Western Samoa were to be administered "by His Majesty in his Government of His Dominion of New Zealand" and that "by Treaty, capitulation, grant, usage, sufferance, and other lawful means," His Majesty the King had jurisdiction in the said islands, and it was expedient to determine the mode of exercising such jurisdiction, it was ordered that the limits of the Order should be "the islands of Opolu and

* The result of the General Election on the 17th December, 1919, was given in the last issue of the JOURNAL. The new Cabinet of Mr. Massey has since been announced as follows:—

NEW ZEALAND CABINET.

Prime Minister and Minister of Railways and Labour	The Rt. Hon. W. F. Massey
Minister of Defence, Finance, War Pensions and External Affairs	The Hon. Sir James Allen
Minister of Native Affairs, Customs, Marine and Repatriation	The Hon. Sir W. H. Herries
Attorney-General and Minister of Internal Affairs and Immigration	The Hon. Sir F. H. D. Bell
Minister of Lands	The Hon. D. H. Guthrie
Minister of Agriculture	The Hon. W. Nosworthy
Minister of Public Works	Major the Hon. J. G. Coates
Minister of Justice	The Hon. E. P. Lee
Minister of Education	The Hon. C. J. Parr
Member of the Executive Council representing the Native Race	The Hon. Dr. M. Pomare.

Savaii, in the South Pacific Ocean, together with the islands adjacent thereto situated between the 13th and 14th degrees of South Latitude and the 171st and 173rd degrees West Longitude. It was further ordered that the islands should be known as the Territory of Western Samoa, and should not be deemed to be included within the limits of the Pacific Order in Council, 1893. The Order provides that: "The Parliament of the Dominion of New Zealand shall have full powers to make laws for the peace, order, and good government of the Territory of Western Samoa, subject to and in accordance with the provisions of the said Treaty of Peace."

The Order also provides that subject to the authority so conferred upon the Dominion Parliament, and until that Parliament otherwise provides, the Executive Government of the Dominion may, by Order in Council, exercise the like authority to make laws for the peace, order and good government of the Territory.

UNDESIRABLE IMMIGRANTS EXCLUSION ACT.

The Bill passed its second reading in the House of Representatives on 23rd October and a summary of its provisions and the Debate upon it up to that stage will be found in the first number of this JOURNAL (page 179). It passed its third reading on 1st November, and, after passing through all stages in the Legislative Council on 3rd November, received the Governor-General's assent on 5th November. It is to be noted, however, that, under the provisions of Section 1, the Act did not come into force until 1st January, 1920.

HOUSE OF REPRESENTATIVES.

There were two divisions in Committee on the third reading in the House, namely on Clause 3 of the Bill (providing that every person landing in New Zealand should be required to furnish a declaration as to nationality, etc.) and on Clause 5 (empowering the Attorney-General to prohibit the landing in New Zealand of undesirable persons); but both amendments were lost, being only supported by some Labour Members.

DEBATE IN THE LEGISLATIVE COUNCIL.

The Attorney-General (Hon. Sir Francis Bell), in moving the second reading of the Bill in the Legislative Council on the 3rd November, said that it would be observed that Clause 6, which applied to deportation of disaffected or disloyal persons, did not confer power upon the Attorney-General without the direction of the Governor-General in Council;

but in Clause 5 the Attorney-General acted without such direction, and the reason of course was that, to prevent a person landing, immediate action had to be taken, and the Attorney-General was, unfortunately, the person selected. If a person had landed, and the question arose as to whether that person should be deported, then, obviously, there was time for consideration. These powers had been in force* for four years. They had been exercised in the case of a few individuals—very few indeed. The authority must exist in some one, and it must be an authority which could be exercised promptly and efficiently. On two occasions he had been asked by deputations to give reasons as to one of the persons, why he was not allowed to land, and, as to other persons, why they were not allowed to go upon the wharves. It was impossible that the Act could have any operation if the Government were called upon to disclose its information or its reasons. In a sense, it might be said that the Act did affect the *Habeas Corpus* Act, yet they sought and took little more power than the Secretary of State had had in England before the war, in respect of the deportation of persons offending. The Bill gave power to preserve to New Zealanders the honour and character that New Zealanders had held in the past, and emphasised their determination to hold in the future.

The Hon. J. T. Paul said that the question as to who was undesirable was one of varying opinion, and was rather a dangerous power to give to any one man—be that man the Attorney-General. They could see that, with one party in power, the “undesirable” was the man who was opposed to that party and that school of thought, and was “disaffected” to the extent of his opposition to the Government. They wanted to be careful that they were not only excluding really undesirable immigrants, whose exclusion he favoured, but that they were not at the same time attempting to exclude ideas. He was afraid, however, that that was exactly what they wanted to do—and they could not do it. Mr. Paul stated that he proposed moving at a later stage a new clause providing that a return showing in detail the number of the orders issued, the name, nationality, and the reason for the exclusion or deportation of each person excluded or deported, should be laid before both Houses of Parliament within 14 days after the commencement of each Session of Parliament.†

The Hon. J. B. Gow strongly supported the Bill and said there was such a thing as freedom becoming mere license, and if they did not wish to destroy the British people there

* As War Regulations.

† Apparently Mr Paul did not move such an amendment but moved in Committee that the Act should continue in force until the 1st January, 1921. The amendment was defeated.

in that Dominion seeking to perpetuate British ideals and to rear a nation of which their Mother-country need not be ashamed, they must be prepared to shut their doors against the flotsam and jetsam of Europe. They were a small community and it would be quite possible, by concerted action in other quarters of the world, by some of those holding ideas to which the hon. gentleman had referred, to disrupt their national life.

The Hon. W. H. Triggs, in supporting the Bill, said that the war had shown the danger of allowing unrestricted admission to men whose object it was, by creating disaffection, to weaken the country's power. In spite of the inconvenience, he hoped there would be no attempt to abolish passports in the future as he believed they constituted one of the most effectual means of excluding undesirable immigrants from any portion of the British Empire.

The Hon. Oliver Samuel said that he deeply regretted—not that the Bill was proposed by the Government, but that the Government should find it necessary to propose such a drastic measure. He drew attention to the difference because there might be a reason, a necessity, for legislation of that sort. As with the spread from other parts of infectious diseases, so they must, as far as they could, protect their country from the spread of that social disease and plague which they saw threatening all other countries, and the disastrous effects of which had during recent years become so noticeable in some. He took it that it was with some such view that it was wished to prevent the landing on their shores of those whose object was to bring upon them disaster. They could not but recognise that there was no greater—to quote the words of that Act—"source of danger to the peace, order, and good government" of a country than a sense of oppression, of being gagged and tyrannised over. Those who had visited England and heard public speeches delivered in Hyde Park and other places had been amazed at the freedom of speech allowed, and he had often thought, and had heard it stated by those who had given great attention to the subject in England and elsewhere, that the exceptional position of Great Britain as a monarchy, in comparison with other countries in which monarchy had been extinguished, and in others interfered with by revolution, was owing, to a great extent, to that safety-valve which had been perpetually available, that opportunity of giving expression to discontent and thus at the same time of inducing in reply exculpation and the justification, and producing reforms. As regards the amendment the Hon. Mr. Paul had intimated that he would move, he certainly saw far more objection than there would be advantage in it: indeed he thought it would be a source

of danger. He should support the Bill. The responsibility was mainly that of the Government.

The Hon. Sir W. Buchanan said that not only would the Bill have his hearty support, but if its provisions were much more drastic he would still have supported it. He would go so far as to support a Bill which would prevent, save under exceptional circumstances, the advent of any German or Austrian immigrant into New Zealand.

FINANCE ACT.

(Enemy Surtax, Reserve Fund in England, Exportation of Gold, Widows and Police Pensions, etc.)

This Act passed through all stages in the House of Representatives on the 3rd November, 1919, in the Legislative Council on the 4th, and received the Governor-General's assent on the 5th November. Various matters are dealt with, including a surtax on enemy goods, exportation of gold, increases and extensions of pensions, increase of the Reserve Fund Security of the Dominion in the United Kingdom, etc.

The Act provides (*inter alia*) for :—

(A) Increase in the Reserve Fund Security of New Zealand in the United Kingdom from £800,000 to £2,000,000.

(B) Removal of the prohibition of the exportation of uncoined gold.

(C) Increase of pensions to persons suffering from miner's phthisis to 30s. per week for married men and 20s. per week for single men.

(D) Increase of widow's pensions to 7s. 6d. for each child with an additional amount of 7s. 6d.; and with a limit to the aggregate receipts of a widow from all sources (including other pensions) of 25s. per week together with 10s. per week in respect of any such child.

(E) Extension of war pensions to women married elsewhere than in New Zealand to a member of the Military Forces before such soldier's discharge; to women married in New Zealand within two years of his discharge; and to women married in New Zealand after that period if the Pensions Board considers she should be entitled as a dependant.

(F) Extension of the provisions of the War Pensions Act 1915 to persons who served in the South African War and to their dependants.

(G) Payment of pensions in respect of death or disablement of Police Officers on the same scale as war pensions.

(H) The provision of the Finance Act 1915 enabling the Governor-General by order in Council to impose a surtax of fifty per cent. on enemy goods is amended so that any such surtax shall not exceed fifty per cent.

DEBATE IN HOUSE OF REPRESENTATIVES.

The Minister of Finance (Hon. Sir James Allen), speaking in the House on the second reading of the Bill, referred to the fact that notification of the increase in the Reserve Fund Security from £800,000 to £2,000,000 had been given in the Financial Statement.* Clause 3 removed the restriction on the exportation of gold which had been found necessary during war-time.

In explaining the proposals regarding war pensions, he stated that a promise had been made with regard to the soldier who was outside of New Zealand and who might marry, that further provision should be made for a pension to the wife. The position was that a soldier married outside New Zealand could then only get a pension for his wife if there were an engagement to marry prior to the war, but the proposal of the Bill was that any woman married elsewhere than in New Zealand during the period of the soldier's service should be entitled to apply for a pension. Another provision related to marriage taking place after the expiry of two years from discharge. The existing law extended only to wives who married in New Zealand within two years after discharge. They had not been able to remove that altogether, but it was proposed to take notice of all the surrounding circumstances of the case, and they were giving the War Pensions Board a discretionary power. They proposed to place the South African veteran on the same footing as the soldier of the New Zealand Expeditionary Force, taking into account the pension he received in New Zealand as well as any Imperial pension that might be coming to him.

Pensions for the Police.

He desired to direct the attention of the House to the clause making special provision for the members of the New Zealand Police Force. The practice of paying a lump sum of £500 or £750 by way of compensation to widows of policemen killed on duty was very unsatisfactory. In a case where £500 had been paid, the money had disappeared and the widow was left without resources and had four children to support. It was proposed to place the policeman on practically the same footing as the soldier of the New Zealand

* Sir James Allen, speaking in the House on 30th September, in the Debate on the Financial Statement, said that his experience of the holding of Reserve Funds Securities in London had been that they were of very great value in a time of difficulty; and that was why he suggested in the Budget that those securities should be increased. He could conceive of no better purpose for which some of their accumulated surplus could be used.

Expeditionary Force and grant his widow and children, or himself in case of total disablement, a pension similar to that then being paid the New Zealand soldier.*

The 50 per cent. Enemy Surtax.

Clause 20 dealt with the modification of the amount which might be charged by way of surtax on goods imported from an alien enemy country. The law fixed the amount definitely at 50 per cent. and it was found that under certain conditions it was advisable not to charge as much as 50 per cent. on certain goods that were necessary to be imported. The definite amount was omitted from the Bill and the words "not exceeding 50 per cent." inserted.

Government Reserve Fund in England.

The Right Hon. Sir Joseph Ward (Leader of the Opposition) said that he was very glad to see that the security funds in England were to be increased by investments to the extent of two million pounds. He had urged that upon more than one occasion. If they could increase the amount by doubling it, or even making it five millions, that would give still greater strength to New Zealand finance to an extent that none of them then could realise. The financial people in the Old World looked on the holding of that gilt-edged security by way of margin as of the greatest service in the advancing of moneys to New Zealand, and in times of emergency it would be invaluable. The matter of allowing the exportation of gold, independently of sovereigns, to have its free way now that the war was over was, in his opinion, quite right. The whole question of the gold business of the Old World would become one of considerable interest. The enormous issue of paper in England due to the war was to a large extent altering the conditions under which gold reserves had been held there prior to the war. If they could have such a thing in the British Empire as the whole of the gold produced remaining in the Empire itself, and held under some form of what he might call an umbrella cover for the purpose of ensuring stability by having a strong gold reserve, it would be a great thing indeed for the Empire. The British Government as well as the Oversea Dominion Governments would require to do something to stabilise exchange between the Motherland and the oversea countries. At the present time

* The rates of pensions paid to soldiers of the N.Z.E.F. are as follows: The widow of a deceased soldier is entitled to a pension of £1 10s. per week, but if she is the mother of a child or children, to £2 per week and 10s. per week for each child.

the majority of the people who had to pay for goods imported from overseas were being, figuratively speaking, murdered by the rates of exchange operating both from England and from the United States to New Zealand. There could be no doubt that one of the things that was adding to the cost of living was the high rate of exchange from outside countries to New Zealand, in addition to which the rates of exchange from New Zealand to the Old Country were very high.

The Enemy Surtax.

He did not like the amendment to the Finance Act of 1915, whereby instead of a mandatory 50 per cent. impost against goods imported from Germany it was now proposed that it "shall not exceed 50 per cent." In reply to an interjection by Sir James Allen, who said, "It has never been used," Sir Joseph said that was because during the war no goods came in, nor could they do so until quite recently, but it would operate automatically when any trade was resumed with Germany and it was put in to provide for trade after the war only. Now the Minister of Finance said there were articles required upon which a lower amount than 50 per cent. would have to be levied. He realised that once the Motherland restored the position of trade with the enemy countries, it was going to be very difficult for other portions of the British Empire to maintain the strong attitude they held during the war that they were not going to allow any of those enemy countries to trade with them in a hurry. He was strongly against making it easy for any of the enemy countries to recommence trading with them. [At this stage the Prime Minister made several interpolations to the effect that the Government wished to make trading difficult for the enemy but not prohibitive, and concluded by saying, "the 50 per cent. was absolutely prohibitive; but we want something which they have, on which perhaps an extra charge of 45 per cent. will be made."] Sir Joseph, continuing, said that he put the clause in the Act of 1915 to make it prohibitive. That was what was deliberately intended. He thought that until they had time to restore trade within the British Empire and with the friendly countries, such as America or France, it was not a good thing to make concessions which would allow alien countries, and especially Germany, to become commercially aggressive. Germany could and would be very aggressive in the matter of trade, because she was more ready to trade at that moment than England was.

The Minister in Charge of Pensions (Hon. W. H. Herries) said that the proposed addition to widows' pensions would come to about £100,000 a year. He thought they had made

a very fair advance in bringing the pension up to 7s. 6d. a week from the present position of 5s. Next year they might have to make a still further addition, but the whole question would have to be taken in a comprehensive way. There would have to be a consolidating measure including old-age, widows', epidemic, and miners' pensions, because they had great anomalies. The present (proposal) was a half-way house, which he thought ought to be accepted by the House as an honest attempt to do the best they could for the widows with the money at their disposal.

Mr. P. Fraser (*Labour, Wellington Central*) said there was nothing logical in giving a certain rate of pension to the widows and orphans created by a national calamity (the influenza epidemic) and refusing it to other widows. In the Bill they were then discussing, provision was made—and rightly—to bring the widows and orphans of policemen up to the same standard as those of members of the Expeditionary Force. But they were up against a difficult problem. Was the duty performed by the miner or the railway servant less than the duty performed by the policeman? They could not draw the line rigidly. Why make any distinction? He asked the Government to get away from that idea and come down to the needs of those left widows and orphans from any cause whatsoever. He would ask the Government to take its courage in both hands, and even at that late stage, to come forward with a comprehensive scheme.

Mr. J. P. Luke (*Reform, Wellington North*) said he considered that it was imperative and only humane for the Government to see that the widows of the country had the right to a pension because of their own suffering and disability, and not on account of the children depending upon them. If the Government would make provision for widows, apart from their children, they would do one of the most humane acts any Government in that country had ever accomplished.

The Minister of Finance (*Hon. Sir James Allen*), in his reply, said he admitted that the legislation was unsatisfactory, and that consolidation should take place in order that anomalies between one class and another might be removed; but he did not agree that they should make no distinction between the case of a man who went away compulsorily to fight for his country, or the man who lost his life when doing his duty as a policeman, and the case of an ordinary civilian. Men who were in civil employment at least ought to have opportunities of putting by something for their widows should they lose their lives, which opportunities were not available to the soldier on the battlefield who fought for his country or the policeman who risked his life in the discharge of his duty.

War-Debt Obligatory.

He wished to refer to the grave responsibilities upon the Government. They had done in the Bill all that was possible for them to do under the then conditions of the finances of the country. The supplementary estimates were very heavy and no increase could be made unless Parliament that session allowed an increase in taxation. There was the heavy burden of war taxation. They should think of the sinking fund on war loans and of the increase they would have to make provision for owing to the greatly increased cost of everything. When the war began in 1914 the country was raising in land-tax £776,000. It raised in land-tax alone in 1919 £1,512,000. In 1914 they were receiving in income-tax £554,000 a year. In 1919 they received £6,219,000. In 1914 the proportion of the income tax to the total taxation of the country was 9·37 per cent. It was now 45·36 per cent. He asked hon. members to realise what that meant, and of the responsibility of the man who would thereafter stand in his position as Finance Minister. The only way for the country to succeed and to secure the money it required for the many purposes it had to meet was by way of increased production. The "go slow" policy, he believed, had been encouraged; he did not know whether it had been encouraged by members of the House, but certainly it had been by leaders of the Labour Party, and that policy was ruinous to the men. Until the revenue was found he could not advise the Government or Parliament to do any more than they had done in the Bill.

DIVORCE AND MATRIMONIAL CAUSES ACT.

The Bill was introduced in the Legislative Council and read a first time on the 3rd October, 1919, and passed its third reading on the 8th October.

The object of the Act is to give facilities for obtaining a divorce to a British-born woman married to an enemy subject who leaves New Zealand.

Certain amendments were proposed in the House of Representatives during the passage of the Bill, and, an agreement having been arrived at, the Act was passed and received the Governor-General's assent on the 5th November.

Sections 9 and 10 (mentioned below) came into force on the passing of the Act; but the remainder does not come into operation until the issue of a Proclamation to that effect by the Governor-General.

Sections 2 to 7 of the Act provide that a woman of British nationality married to a person of enemy origin may petition for a divorce if the husband should leave New Zealand and remain absent for more than

twelve months. The fact that the husband may have desired his wife to leave New Zealand with him is no defence to a petition. Personal service of the petition may be dispensed with; evidence not strictly legal of the "enemy origin" of the husband may be accepted, and the petition is to be granted unless collusion be proved.

Section 8 alters the law of guardianship with respect to the children of women of British nationality married to husbands of enemy origin; and in every such case the mother is constituted the guardian (with right of custody of the children) unless the Supreme Court makes an order to the contrary.

Section 9 (which was introduced in the House of Representatives) applies not only to persons of enemy origin, but is an amendment of the general divorce law of the Dominion. It amends the Divorce and Matrimonial Causes Act, 1908, by reducing, from five years to three years, the period of desertion upon which a divorce petition may be founded, thus bringing the law of New Zealand in this respect into line with that of Australia.

Section 10 of the Act is also of general application, and adopts and applies to the Dominion the Imperial Statute known as the Matrimonial Causes (Dominion Troops) Act, 1919, which confers on competent Courts of the United Kingdom jurisdiction to entertain matrimonial proceedings in respect of marriages contracted during the war by members of His Majesty's Forces domiciled outside the United Kingdom.*

DEBATE IN THE LEGISLATIVE COUNCIL.

The Attorney-General (Hon. Sir Francis Bell), in moving the second reading of the Bill in the Legislative Council on the 7th October, said that difficulty had arisen largely in the case of wives and families of Germans who had left New Zealand since the Armistice to return to their Mother-country or to some of its dependencies, leaving their wives behind them. These wives had become German by marriage; and their husbands had a right, therefore, to require them to rejoin them, and they had a further right to require the children to be removed from New Zealand to foreign countries. No doubt it was true that a woman took a man "for better or for worse," but there were cases where a man might be a good deal worse than she took him for. There had been some piteous cases. No doubt the Bill was a considerable enlargement of the right which their statutes already gave for divorce, but it was impossible to call it "desertion" because the German could get rid of any question of desertion by offering to pay the maintenance of his wife, who was legally a German, or he might require his wife to return and cohabit with him in Germany. Provision was made that personal service was not necessary, but the husband was to be notified of the presentation of the petition in a manner satisfactory to the Court. They were obliged to put in a clause allowing

* For the Australian treatment of this subject *vide* p. 354.

the Court to accept evidence not strictly legal as to the husband being a person of enemy origin, because that was a matter very difficult to prove unless the man became naturalised in New Zealand, and the more urgent cases related to men who had not become so naturalised. If a husband went away by agreement in order to enable his wife to have a divorce, that was collusion and she was not entitled to it; in other words, she must be an injured woman.

Clause 9 of the Bill (Section 10 of the Act as passed) was a wholly separate matter: it adopted the English Act of that year, which was passed to enable divorce to be granted to the members of the Expeditionary Force or their wives, though not domiciled in England. The other provisions appeared to the Government so important an alteration of the divorce laws that it was considered desirable to submit it for the consideration of the Imperial Government. Every such Act was reserved for His Majesty's pleasure, but the Governor-General was now empowered to grant the Royal Assent. They proposed to send the Bill to the Secretary of State. If it was considered to require further consideration by Parliament they should not proclaim it, but the Bill would be dealt with in the next session of Parliament; otherwise it would be brought into force as soon as they received the answer from the Secretary of State approving the measure.

The Hon. Oliver Samuel spoke in favour of the Bill and also of extending the scope of the divorce law in the direction of giving relief to those who were what might be termed "permanently separated" owing to domestic troubles. He trusted that the subject would be treated comprehensively next session, and pointed out that in England the Attorney-General (now the Lord Chancellor) was pressed in 1916 to introduce a Bill in accordance with the Report of the Royal Commission of 1912, but had replied that he was prevented by war conditions. The hon. member added he had very little doubt that when those conditions changed there would be an amendment of the English law.

HOUSE OF REPRESENTATIVES.

An Amendment.

Mr. T. M. Wilford (*Liberal, Hutt*), speaking on the second reading of the Bill in the House of Representatives on the 1st November, said that when the Bill got into Committee he was going to move an amendment in the general Divorce Act to bring it into line with the Australian divorce laws, making the period of desertion three years instead of five. There was no objection to the shorter period in Australia, and he saw no reason why a woman who had been deserted

by a drunken husband, or a man who had been deserted by his wife, should have to wait for so long a period as five years. The amendment was duly made.

CRIMES AMENDMENT BILL.

(Abolition of Grand Jury.)

This Bill was introduced in the Legislative Council on the 5th September, 1919, by the Hon. J. McGregor, and read a first time. It was thrown out in the same Chamber on its second reading, on the 19th September, 1919.

The object of the Bill was to provide for the abolition of the Grand Jury.

The Bill provided that the Attorney-General or Solicitor-General, or any Crown Prosecutor in the name of a Crown Law Officer, should present a criminal indictment, which should be of the same effect as a presentment by a Grand Jury.

The Hon. J. McGregor (*Dunedin*), in asking for leave to introduce the Bill, said that it was a very important one—for it proposed the abolition of the Grand Jury. He referred to the fact that a number of reports received from the Australian States, in which Grand Juries had been abolished, had been laid on the table last Session. Speaking on the question that the Bill be read a second time, he read a synopsis of the reports referred to, and stated that the New Zealand judges had been invited to give their opinions on the proposed change, but he had been surprised to find that the majority of them were opposed to the Bill.

The Attorney-General (Hon. Sir Francis Bell) opposed the second reading, saying: "If you abolish the Grand Jury, you will abolish the means of communicating with an isolated body—the judges."

The motion for the second reading was negatived by 14 votes to 9.

HOUSING ACT.

(Workers' Dwellings: Settlements for Public Servants: Loans to Employers: Advances to Workers: Protection of Tenants).

The Bill was introduced in the House of Representatives by the Prime Minister (the Rt. Hon. W. F. Massey) and was read a first time on the 10th October, 1919. It passed its second reading on the 14th, and was read a third time on the 16th October. It was passed in the Legislative Council on

the 24th October, and received the Governor-General's assent on the 5th November, 1919.

The object of the Act is to consolidate and extend the law of the Dominion relating to the erection and disposal of "Workers' dwellings," and to provide a Housing scheme for the people. The Act replaces the Workers' Dwellings Act of 1910 and the amending Act of 1914, which are repealed.

Amendments.

Several amendments were made during the passage of the Bill, the more important being the increase of the limit of income of workers entitled to take advantage of the scheme; and the Statutes Revision Committee introducing legislation of general application relating to the restriction of rent and protection of tenants.

Workers' Dwellings.

The Act provides in Part I., which relates to Workers' Dwellings, for the appointment of a Housing Superintendent who is charged with the general administration of this part of the Act, subject to the control of the Minister of Labour. A "Housing Board" is constituted, consisting of the Superintendent, a Deputy-Superintendent and one or more members appointed by the Minister. Crown land may be set apart, and the Board may also acquire land and buildings and erect buildings, for the purposes of the Act. Only workers of limited income may acquire the dwellings, which may be disposed of either by way of sale or on lease; but there are strict limitations as to the qualifications of persons competent to acquire them, as to the cost of dwellings to purchasers, and as to the right to transfer. A "worker" is defined as including "any person employed in any capacity in any industry or calling, whether by an employer or on his own account"; and no person may acquire a dwelling under the scheme if his annual income (exclusive of any moneys received by him from any source other than his usual source of income) exceeds £300 in the case of a person with not more than two children or other dependants, increased by £20 for every additional child or dependant. The income of the applicant is to be deemed to include that of the husband or wife as the case may be. The cost to the purchaser of a wooden dwelling is not to exceed £775 and £850 in the case of any other kind of building.

The Act being framed for persons of small means, a great deal of care has been bestowed in the introduction of provisions likely to be of benefit to that class of people, such as the right to acquire dwellings on the time-payment system, to reduce the principal by very small payments (a minimum of £2 10s. at a time), and interest at 5 per cent. being charged on the balance of principal owing. In case of sickness or other sufficient cause the Board is given discretion to extend by not more than one year the period allowed for the payment of purchase-money; and the cost of any improvements effected by the Board during the currency of any agreement may be added to the price. The Board may cancel an agreement to purchase in case of default by the purchaser, who then becomes a weekly tenant. No dwelling is to be disposed of,

either by way of sale, lease, mortgage, assignment, or in any other manner otherwise than by will, without the consent of the Board. At the expiration of ten years from the date of the agreement to purchase, and on payment of all monies owing, a purchaser may receive a certificate of title under the Land Transfer Act in respect of his dwelling, but the above restrictions as to disposal are to be endorsed upon the title. There is a clause enabling the Board to lend to any purchaser up to £100 for fencing, draining, cultivation, or general improvement of the land appurtenant to the dwelling. An important clause of the Act is that which enables the Board to let on a short tenancy, Section 24 providing that a dwelling may be disposed of on a monthly tenancy or for any shorter term.

The Minister of Finance is empowered to borrow £750,000 each year for the purposes of this part of the Act, and there is a clause exempting agreements, leases, etc., executed under it from stamp duty.

Settlements for Public Servants.

Part II. of the Act provides for financial assistance to any incorporated society of officers in the permanent employment of the Crown for the purpose of establishing village settlements or garden suburbs. The Crown may purchase private land for the purposes of such a scheme or it may set apart Crown land and dispose of it for the purpose. Advances may be made to such societies, or the members thereof up to 90 per cent. of the value of the security for the purpose of carrying a scheme into effect.

All moneys advanced, with interest not exceeding 5 per cent., are to be repayable by instalments extending over a period of not more than 30 years, and it is specially provided that such instalments may, by agreement with any officer, be deducted from his salary.

The sum of £250,000 may be borrowed in any one year for the purposes of this part of the Act.

Loans to Employers for Workers' Dwellings.

These are dealt with in Part III. of the Act, which gives the Finance Minister power to borrow £250,000 annually for financial assistance to any employer (to which this part of the Act is applied by notice published in the *Gazette*) towards the provision of dwelling houses for permanent workers in such industry. The amount advanced is not to exceed 75 per cent. of the value of the security, and is to be secured by first mortgage, at a rate not exceeding 5 per cent. on the land and dwellings in respect of which the loan is granted coupled with such further security as may be required.

Other Provisions.

There is also provision (Part IV.) empowering Harbour Boards to erect and dispose of dwellings to permanent workers; (Part V.) empowering local authorities to do likewise and enabling the Finance Minister to borrow £1,000,000 annually for the purpose; whilst Part VI. extends the provisions of the State Advances Act 1913 and brings it into line with the present Act so far as the income of a worker entitled to borrow is concerned, and increases from £450 to £750 the amount which may be

borrowed. Under Part VII. there is an extension of the War Legislation relating to the protection of tenants from ejectment which is more fully explained in the report of the speech by the Attorney-General in the Legislative Council on the second reading of the Bill. Finally, Part VIII. authorises Banks to provide dwellings for sale or lease to members of their staffs.

HOUSE OF REPRESENTATIVES.

The Prime Minister (the Right Hon. W. F. Massey), speaking in the House on the 19th October on the second reading of the Bill, said that it was intended to remedy the scarcity of housing caused by the fact that during the war very little building was carried on, and also perhaps, owing to the scarcity of materials and labour. He outlined the scope of the Bill and said that the legislation was urgently required throughout the country.

A long debate followed in the course of which a large number of Members spoke on the Bill.

THE LEGISLATIVE COUNCIL.

Restriction of Rent.

The Attorney-General (Hon. Sir Francis Bell), speaking on the second reading on the 24th October, after dealing with other provisions of the Bill in detail, said that the Statutes Revision Committee had added quite a new part which he desired to explain. The provision made in 1916, he said, for the restriction of rent and the protection of tenants was amended in 1918 in regard to houses defined as "dwellings" in the Act of 1916—houses of a limited rental and size, practically small holdings. The amendment provided that if a soldier or a soldier's wife was a tenant of such a "dwelling" subject to the restriction of rent, the landlord should not eject the tenant nor raise the rent unless the tenant committed waste or a direct infringement of the conditions of the lease. The effect had been, and was, during the continuance of the War Legislation Act, to protect from ejectment soldiers and their wives and widows so long as they acted in accordance with the terms of the lease. The Act then went on to provide in respect of ordinary tenants that it should be a sufficient ground for an order of ejectment if the landlord required the house for his own use, or had sold it to someone who so required it—provisions which had been very much misused in England as well as there, by the landlord. Then came the provision that where a tenant was not a soldier or a soldier's wife or widow, but was a dependant of a soldier,

so related to the soldier that the ejectment of that person would affect the soldier or his wife, the Magistrate should not order ejectment in cases where the exercise of that power would cause undue hardship. The amendment now proposed by the Statutes Revision Committee was to repeal the special subsection relating to soldier's dependants, but to bring the whole community within the protection which was previously afforded only to soldiers' dependants. It left the law as it stood with regard to the protection of soldiers' and soldiers' wives and widows; it provided still that it should be a reason for ejectment that the landlord "required the house for his own purposes or had sold it to a person who so required it," but with all that proved it was no longer made compulsory upon the Magistrate to eject so long as the tenant paid the rent and behaved himself. The Magistrate was now given a discretion with regard to the tenant. He was not bound to throw a woman and her children into the street because the landlord had sold his house. He recognised that the law as amended might in some cases press with severity upon landlords, but he did not see that the landlord, or the person who bought the house from him knowing it to be occupied, was so likely to be injured as the tenant who was to be thrown out. And in any case, discretion was given to the Magistrate, only to be exercised in cases where he was satisfied that undue hardship would result if the order were made. It was an amendment of war legislation dealing with conditions which existed just as much then as when the first provision was made for the restriction of rent.

BILLS NOT PASSED.

The following Bills, which were dealt with in No. 1 of this Journal, appear in *Hansard* amongst those which were not proceeded with, viz. :—

Naturalized Subjects Franchise Bill.

Popular Initiative and Referendum Bill.

Proportional Representation and Effective Voting Bill.

SOUTH AFRICA.

The First Session of the Third Parliament of the Union of South Africa opened on 19th March, 1920. The following summary deals with the Parliamentary Debates of the first part of the Session as the records of the debates have only been received up to 25th March. The proceedings of the Session will be continued in the next number of the Journal.*

GOVERNOR-GENERAL'S SPEECH.

The Governor-General, in opening Parliament referred to the high cost of living. "The high price levels of all commodities and the constant rise in cost of living, which are world-wide in their operation, are also producing grave evils, difficulties and discomfort in South Africa, which affect not only the individual citizen, but the progress and welfare of the community as a whole."

Continuing, His Excellency said that Ministers would submit for the consideration of Parliament proposals intended to prevent profiteering and speculation in foodstuffs, and to secure fair rents for houses, as well as measures dealing with currency and banking reform. The great shortage of houses in the Union had also been a matter for careful inquiry and consideration, and Parliament would be asked to consider proposals to deal with the housing problem.

* Parliament having been dissolved since the last issue of this Journal, the General Election took place on 10th March, with the result that the state of the parties in the House of Assembly (134 members) is as follows :—

South African Party (Ministerialists)	..	..	..	40
Nationalists	..	..	..	43
Unionists	..	..	..	25
Labour	..	..	..	21
Independent	..	..	..	3

These figures do not include Bloemfontein South, where the South African Party member resigned owing to some voting papers being disallowed, nor do they include Witbank (Trans.), where the Nationalist candidate died. The total strength of the Nationalist Party will in consequence probably be 45.

The following Ministerial changes in the Cabinet of General Smuts were announced by cable on 14th April :—

Minister of Finance	..	..	..	Hon. H. Burton.
Minister of Agriculture, Mines and Education	..	..	..	Hon. F. S. Malan.
Minister of Railways and Harbours, Interior and Health	..	..	..	Hon. Sir Thos. Watt
Minister of Posts and Telegraphs, Senator	..	..	..	the Hon. Sir J. A. C. Graaff.

With the rapid industrial progress which was taking place in the Union, questions of social reform, he said, and the relations between labour and capital were assuming increased importance and would more and more demand the sympathetic attention of Parliament.

The general recommendations to the Governments (which were signatories of the Peace Treaty), by the International Labour Conference recently held at Washington, would receive due consideration; and Ministers would submit proposals intended to secure industrial peace and co-operation through Joint Councils of employers and workers, as well as for the regulation and settlement of fair wages, hours and conditions of labour in the various industries of the country.

"The soundness of the financial position of South Africa," His Excellency continued, "the comparative freedom from heavy burdens with which she has emerged from the Great War, the demand for her products in the world's markets, combine with her great internal resources to create a unique opportunity at the present time for the industrial and agricultural expansion of the Union." Ministers would submit proposals intended to foster and promote the development of industries and agriculture. Ministers were also preparing a comprehensive programme of railway construction, as well as of irrigation and land settlement projects.

The development of the native races and their increasing importance in the economic life of the Union tended more and more to raise new questions of a complex character. Ministers considered the time had come to introduce reforms in the system of native administration, which would include the establishment of a standing commission to advise and assist the Government on questions of native policy, as well as the creation of Advisory Councils in the large native areas which would help to keep the natives in touch with the administration of the country.

ESTIMATES.

(War Claims against Germany: League of Nations).

In the House of Assembly, on 23rd March, 1920, in Committee on the Estimates of Additional Expenditure,

Mr. J. W. Jagger (*Unionist, Cape Town, Central*) asked what the Prime Minister was going to do in regard to certain war claims from the Union to Germany. According to a Government statement last session, certain claimants were told they had to make their claims to the Reparation Commission in Great Britain because none had been put up in

South Africa. But after paying local claims there was a large surplus, and why could the claims of South Africans not be settled therefrom.

Mr. C. G. Fichardt (*Nationalist, Ladybrand, O.F.S.*) said that private people in South Africa who had not made war had been robbed of their property because of their German origin.

The Prime Minister (*Lieut.-Gen. the Right Hon. J. C. Smuts*) said he thought the policy which the Government had announced, and was carrying out was perfectly clear—that in regard to all German subjects domiciled and resident in South Africa, their property was restored to them *in toto*, and that was being done without any reduction ; not only did they get their capital back, but it was being paid with interest.

The Government, he declared, had acted with extreme and exemplary generosity to German subjects domiciled in South Africa. He defied Mr. Fichardt to give an example of one Government on earth which had dealt with German subjects with such generosity ; in the case of every other Allied Government an entirely different course had been taken.

The Prime Minister, continuing, said Mr. Jagger's question was a different one, namely, what was going to be done in regard to claims for damages arising out of the war. The Government still held a balance of about £10,000,000 due to Germans not resident or domiciled in South Africa, but in Germany. The Government, last session, declined to announce its policy because it wanted to make further inquiries. The *prima facie* meaning of the Peace Treaty was that these claims should be paid out of the Reparation Fund. But the matter was not entirely beyond doubt, and he thought the Government would have to consider very carefully its policy, and how far any policy squared with the Peace Treaty. They were collecting these claims in South Africa, and forwarding them to the Agency in London, reserving to themselves the final decision of these claims. The matter was still in suspense and only later could it be cleared up.

Influence of the League of Nations.

Mr. M. Kentridge (*Labour, Fordsburg, Trans.*) referring to the item of £16,234, which was a contribution towards the expenses of the League of Nations Secretariat, said he wanted to know whether the Government was using its influence in a proper direction in regard to certain matters. He asked the Prime Minister to use his influence with the League of Nations to see that there be no recurrence of savageries on members of his (Mr. Kentridge's) race in Poland, and that Trade Union delegates be allowed to visit Soviet Russia in order to ascertain the conditions prevailing there.

Mr. C. T. M. Wilcocks (*Nationalist, Winburgh, O.F.S.*) expressed great apprehension as to what the League of Nations would cost the Union in the future.

The Hon. Sir Thomas Smartt (*Leader of the Unionist Party*) reverting to the question of the treatment of German subjects said no belligerent nation had ever treated enemy subjects more generously than South Africa. It was the duty of the Government to see that the claims of those who suffered through the dastardly sinking of the *Galway Castle* were fully met. Those members who had emblazoned on their banner "Africa first" were now desirous that Africa should not be put first. Some South Africans had not received their due consideration.

General the Hon. J. B. M. Hertzog (*Leader of the Nationalist Party*) declared that enemy subjects had been robbed right and left by them, rights had been violated in every possible way, and yet Sir Thomas Smartt said never before had enemy subjects been more liberally treated. As soon as matters were righted, he considered, the world would get back into its old stride. Enemy subjects had been subjected to a treatment which did not redound to South Africa's honour. The sooner justice was done the better it would be for South Africa.

He asked what the Secretariat of the League of Nations would cost South Africa, and how much the total amount involved would be.

Lieut.-Col. F. H. P. Creswell (*Leader of the Labour Party*) said that as months rolled on, and possibly some of those passions aroused by the war were cooling down, people were realising that the Peace Treaty of Versailles would have to be largely modified. General Botha, at the Peace Conference, appeared to have shown more sense than the European nations had done.

Dr. R. Forsyth (*Labour, Capetown, Gardens*) asked the Prime Minister who was the representative of the Union on the League of Nations, what power he possessed, whether he acted on his own initiative or referred to the Government, and if any decision arrived at would be referred to the Union Parliament for review.

Sir Thomas Smartt, referring to the eight or nine millions which belonged to enemies, said that before the Government handed over this money, it must, in justice to their own nationals, see that provision was made to compensate them for the damage done to them.

Mr. Tielman Roos (*Nationalist, Lichtenburg, Trans.*) said they were not now concerned with public property taken from the enemy. They did not contend that "South Africa first" meant not only first in material matters, but first also in honour.

He noticed that their contribution towards the cost of the Secretariat of the League of Nations represented about one-fifteenth of the total. Did that mean, he asked, if some discontented member of the League of Nations went to war, South Africa would be committed to one-fifteenth of the cost of any action taken by the League. He moved that the item be deleted.

Mr. C. J. Lagenhoven (*Nationalist, Oudtshoorn, Cape*) wished to know what value South Africa was getting for the £16,000 appearing on the votes in connection with the League of Nations. He asked whether, if attacked by another nation, South Africa would have the protection of other members of the League of Nations, and whether if another member of the League was attacked, South Africa would have to come to the help of that nation.

Mr. W. B. Madeley (*Labour, Benoni, Trans.*) pointed out that the House had ratified the Peace Treaty and under that, he presumed, the Government had promised a contribution. They were in duty and in honour bound to back up the promise. He asked what they were going to gain if the item was deleted.

Dr. T. C. Visser (*Nationalist, Vrededorp, O.F.S.*) asked whether the higher status which they had got from the so-called League of Nations entitled them to the privilege of appointing an Ambassador of Foreign Affairs to other sovereign states? He understood Canada had appointed such an Ambassador at Washington. If the Union had the power, had the Prime Minister considered the advisability of making such an appointment, and would such an official be subject to the Union or to the Foreign Affairs Department in London?

In reply, **The Prime Minister** said they had exactly the same status as Canada, and whatever foreign representatives Canada might appoint they in South Africa could also appoint.

On this occasion he agreed with Mr. Madeley. The question was one of honour. Under the Peace Treaty the country was liable for the present payment. With regard to the amount of £16,000, he pointed out that the basis of apportionment among the signatories to the Covenant, of the Secretariat expenses of the League, was on the same lines as the Postal Union, and the contribution made by South Africa was based on the same contribution as they paid for the maintenance of the Central Bureau of the Postal Union. He pointed out that the League had started immediately after the Peace Treaty was signed, when the formation of the Secretariat was commenced.

Replying to Mr. C. J. Langenhoven, General Smuts said, roughly the question was whether the League of Nations would protect South Africa in case it was attacked in South Africa, and if the League would, then what was the use of the

British Empire? "Those are the horns of the dilemma on which he is trying to impale me," continued the Prime Minister. It was a simple matter, and he would provide Mr. Langenhoven with a copy of the Covenant. He pointed out that the League would protect South Africa against attack only in case Section 15 of the Covenant was broken. The League of Nations did not render the utility of the British Empire nugatory.

Referring to the question of the property of enemy subjects he said that German subjects domiciled in the Union had been treated fairly and properly; but with regard to German subjects not resident in the Union, and in respect of whom large amounts were being held by the Custodian of enemy property, the Government had already given an assurance that no policy would be adopted until the House was consulted.

In regard to the atrocities in Poland he thought Mr. Kentridge was misinformed. The Government of Poland had signed the Treaty for the protection of minorities; since then he thought there had been no atrocities on any scale in Poland.

In conclusion, the Prime Minister said that the Union was not yet represented on the League of Nations, the Government having thought it wiser under the circumstances to delay nominations for a few days.

The motion of Mr. Tielman Roos to delete the item of £16,234 in respect of the Secretariat of the League of Nations was negatived, and the vote was agreed to.

CONSTITUTION OF THE SENATE.

In the House of Assembly on 23rd March, Mr. J. W. Jagger (*Unionist, Capetown, Central*), in Committee on the Estimates of Additional Expenditure, asked if the Government intended to introduce legislation that session with a view of dealing with the future constitution of the Senate.

The Prime Minister (Lieut.-General the Rt. Hon. J. C. Smuts) said the Government had taken legal advice, and was informed that the present Senate lasted until 31st October next. The Government agreed with that advice. The question arose what was to happen thereafter. Unless Parliament made other provision before 31st October in regard to the future of the Senate, the provisions of the South Africa Act would come into force automatically, and the Senate in future would be elected, so far as its members were elective, by the members of the Provincial Councils and the members of the Legislative Assembly for the various provinces sitting together and voting by proportional representation. He thought it would be out

of place for him to announce the intention of the Government on a matter of high policy like that, but he considered they would have to make up their minds as a House, and as a Parliament, whether they were going to make other provision, and in what way for the future constitution of the Senate, if they were satisfied with the arrangement laid down in the South Africa Act.

The Hon. Sir Thomas Smartt (Leader of the Unionist Party) said he would ask the Prime Minister to assure the House that, after the recess, the Government would definitely state what their policy was to be on the subject. He believed the majority of the people in the Union desired to have a bi-cameral system of legislation, and to have a Senate representative of all sections of the people in that country, as a House of review. He thought it would be advisable to change the procedure laid down by the National Convention. The Government should be prepared to make a statement to the country after the recess. He believed there was a large body of opinion that the Senate should be elected by the people on a system of proportional representation.

Mr. F. W. Beyers (Nationalist, Edenburg, Trans.) doubted whether the Senate automatically ceased to exist in October or May, and hoped the Government would take steps to remove any uncertainty.

In reply, the **Prime Minister** said there appeared to him no reasonable doubt on the subject. He would lay all papers on the Table, and take all necessary steps at an early date.

EXPORT OF SPECIE.

In the House of Assembly on 22nd March, **Lt.-Col. F. H. P. Creswell** moved as follows :—

That it be an instruction to the Select Committee on Public Accounts to inquire into and report to the House not later than 23rd April, on the effects on the cost of living of the embargo at present placed on the export of specie.

Lt.-Col. F. H. P. Creswell (Leader of the Labour Party) declared the matter to be of the most urgent importance. There was, he said, a conference called at Pretoria last October and the discussion that took place convinced any of them who had not been conversant with it before of the very close and intimate connection which in all probability there was between this matter and that which, by common consent, was looked upon as the most pressing question in the country, namely, the cost of living.

Owing to the embargo on the export of gold a tremendous change had been brought about in the value of the sovereign.

For instance, one could get 485 dollars for a hundred sovereigns in America, but a bank in South Africa on a draft for America would give only 360. The present arrangement might be very advantageous for the wealthy farmers and wool growers who were just as much profiteers as "the other fellows were." There was one country which should certainly be the very last to adopt a paper currency, and that was South Africa, which produced something like two-thirds of the world's supply of gold. It was very essential they should have their own Mint, and it was absurd that the banks should have to send gold to England to be minted.

All the talk, continued Lt.-Col. Creswell, about a sovereign being worth 20s. was absolutely absurd, because on a gold basis the sovereign contained 113·005 grains of pure gold. He knew of no other mint in the world where the minting and refinery were under one control. In South Africa they decided to leave it to the mines to erect a refinery. He was told it was most difficult to get the right process. It was a bad thing to make people trustees of conflicting interests. They had demanded that there should be a mint and a refinery, and the whole matter should be taken out of the hands of any agents. The premium on gold helped the low-grade mines, but it also caused a tremendous addition to the profits of the high grade mines. It would be vastly better and cheaper, he considered, for the country to pay a direct subsidy to keep the low grade mines going.

The Government's Attitude.

The Minister of Railways and Harbours (Hon. H. Burton) said the Government did not minimise the importance of the matter, but considered it of great importance to the people of the country; yet the question was so complex and difficult that it called for most careful investigation. He agreed they should have a body of the House to investigate the question, but it should be a Special Select Committee for that purpose. The debate was adjourned until 31st March.

LABOUR PARTY AND COLOUR BAR.

On the resumed debate in the House of Assembly, on 24th March, on the Estimates of Additional Expenditure, Colonel Sir David Harris (Independent, *Beaconsfield, Cape*) referring to the question of the Labour Party and the colour bar, said there were men in the building trade in Johannesburg who were willing and anxious to work, yet when they were urgently required, and the building trade there was flourishing,

the policy of the Labour Party drove these men out of their employment. It was worse than slavery. The solicitude of the Labour Party on behalf of the coloured people would have very little effect. If the Party was so desirous of assisting the coloured people, the first thing they should do was to remove the colour bar, otherwise their solicitude was simply nauseating hypocrisy.

Mr. W. B. Madeley (*Labour, Benoni, Trans.*) said that the Labour Party was often anathematised in regard to the colour bar, but he would challenge Sir David Harris and his employers (De Beers Diamond Mining Co., Ltd.) as to whether they would guarantee to the coloured man the same rate of pay as to the white man doing the same kind of work. The crux of the whole question was cheap labour. The Labour Party was ready to advocate the colour bar being removed immediately an Act was passed that they should receive the same rate of pay for work done as the white man.

Labour Conference.

Mr. T. Boydell (*Labour, Durban, Greyville, Natal*) said it was clear last June that the Labour Conference would take place in October, 1919, yet when the time came the Minister complained of lack of opportunity of appointing South African representatives. He would like to know what steps would be taken as regards representation next year.

The Minister of Mines, Industries and Education (*Hon. F. S. Malan*) pointed out that until the Peace Treaty had been ratified no article was in force. It was only when the President of the United States decided to call a conference, although the Peace Treaty had not been ratified, that they had received notice. In future they would take steps to have the delegation from the employers and the employees elected by popular vote of all parties concerned.

Pensions to Boer Burghers.

Mr. J. H. B. Wessels (*Nationalist, Frankfort, O.F.S.*) asked what steps had been taken to pay pensions to the Burghers wounded in the Boer War.

Mr. W. B. Madeley (*Labour, Benoni, Trans.*) expressed the hope that the Government would increase pensions in view of the growing cost of living.

The Minister of Railways and Harbours (*Hon. H. Burton*) said that Mr. Madeley ought to know that the Government could not increase pensions by one penny; only Parliament had the right to do that. In reply to Mr. Wessels, he said that a Commission was at present travelling round the country inquiring into the question of pensions for burghers.

WOMEN'S SUFFRAGE BILL.

Senator, the Hon. J. J. Ware in the Senate on 22nd March, moved that leave be given to introduce a Bill to enable women to be registered as voters for the election of members of the House of Assembly and of all Provincial Councils.

Leave was granted and the Bill read a first time. The second reading was set down for 15th April, 1920.

The Bill provides that notwithstanding anything contained in the enactments of the different Provinces whereby male persons only are entitled to be registered as voters for the election of Members of the House of Assembly and Provincial Councils, the enactments shall be read and construed as if the provisions relating to the qualifications of voters included females as well as males.

In the case of the Property qualification of married women, it is provided that where the law of any Province prescribes that the possession of property of a certain value entitles persons to be registered as voters, a married woman shall not be entitled to be so registered unless the property possessed, occupied or rented by her jointly with her husband is of a value at least twice the amount prescribed by such law.

HOME INDUSTRIES.

In the Senate on 25th March, Senator the Hon. A. D. W. Wolmarans moved :—

That a return be laid upon the table showing how many factories had been erected during the past ten years, with or without Government assistance and the nature of that assistance ; and how many had been erected on the advice of the so-called expert with whom the Minister stated some five years ago the Government was negotiating about the erection of factories.

Senator the Hon. A. D. W. Wolmarans declared it was an acknowledged fact no country could prosper without industries. They had been told there were thousands of factories in the Union, but no reliable data were available. The inland population were anxious to get this information, and to learn what the Government had done, and intended doing, to assist these factories and industries.

The Minister of Mines, Industries and Education (Hon. F. S. Malan) said he had no objection to supplying the information. He twitted the mover with the fact that his political leader (apparently a reference to Gen. Hertzog) had on several occasions declared his opposition to industries. Since Union, 2,781 factories had been established. The policy of the Government had never been to help the rich man at the expense of the poor one. Since the war, the shortage of many commodities, high freights and other causes had stimulated a

number of new industries. It had its effect on prices, and at the present day South Africa was cheaper to live in than many other countries.

In 1917 an advisory board, consisting of business and technical representatives, was appointed to go into the question, also a board of scientists. They were asked to report on the available and prospective supplies of raw material, to ascertain whether the protective tariff should be altered, and to suggest how industries could be helped. The Commission had also been asked to go into the question of Government aid. When they read the report of the Commission, which would soon be published, they would agree that a great step forward had been taken. Industries which had sprung up during the war would not be allowed to languish for want of sympathy from the Government.

The appointment of a technical expert had recently been made, a person who had a distinguished record in South Africa and overseas.

The motion was agreed to and the Senate adjourned until 26th March.

ROYAL MINT BRANCH FOR PRETORIA.

On the 25th March in the Senate,

Senator the Hon. A. D. W. Wolmarans asked whether the Government intended taking immediate steps to bring about a change in the perplexing economic situation in which the Union found itself, caused by a disadvantageous and unfortunate rate of exchange ; and whether it intended making the Union economically independent by erecting its own mint, and repealing forthwith the so-called Mint Act of 1919 ?

The Minister of Mines, Industries and Education (Hon. F. S. Malan) said that the Government recognised the difficulties of the economic situation and intended to lay certain proposals before Parliament. The Government was proceeding with the erection of the Pretoria Branch of the Royal Mint in accordance with the Act of 1919, which it was not intended to repeal.

NEWFOUNDLAND.

The new Parliament met towards the end of April, 1920, and the proceedings will be dealt with in the next number of the JOURNAL.

JOURNAL OF THE PARLIAMENTS OF THE EMPIRE

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INTRODUCTION.

It is not necessary in the few words of Introduction to the third (July) number of the JOURNAL to refer again to the objects and scope of this publication. These were sufficiently outlined in the Introduction to the January and April issues. Indeed it may be assumed from the large number of letters received that members of the Empire Parliamentary Association in the different Parliaments of the Empire are now finding the perusal of the JOURNAL a normal part of their Parliamentary duties.

As regards a great deal of the actual contents of the present number, it may be said generally that they are of considerable Imperial importance. Discussions upon the inter-relations of the self-governing nations of the British Commonwealth and their attitude to the outside world have taken place in several Parliaments. In that of the United Kingdom a statement of much interest was delivered on 17th June in the House of Lords by Lord Milner, when references were made to the Imperial Constitutional Conference of next year. Again, the League of Nations and its work has been dealt with by Mr. Balfour. In the Canadian Parliament, similarly, a striking statement on the League of Nations was delivered by Sir Herbert Ames, who spoke in the dual capacity of Financial Director in the Secretariat of the League and a member of the Canadian House of Commons; while the discussion in the Dominion Parliament on the appointment of a Minister Plenipotentiary at Washington is of first-rate importance to all Parliamentarians and students of Imperial constitutional development. In the South African Parliament, the speech of General Smuts on the League of Nations and the future relationship of the nations composing the British Empire constituted a pronouncement of peculiar significance. This and the debate which preceded and followed should be studied with close attention in view of the coming Constitutional Conference.

In the light of the above-mentioned discussions, involving as they do the future of the British Commonwealth, a great many subjects of importance, though of more domestic concern, have been crowded out of the present issue. Indeed, some debates had actually been summarised when the arrival of the South African mail, shortly before going to press, made it strongly advisable to include a summary of the debates to which reference has been made, particularly in view of similar discussions in other Parliaments which are summarised in the present number.

But it has been found possible to deal with many other matters which may be said to confront the legislators of the

Empire as common problems, such, for example, as those relating to Naval Defence, Profiteering, House Rents,* Divorce, etc. A Bill, which may be primarily the domestic concern of South Africa, but which at the same time is of great interest to other nations within the Empire, is that relating to Native Affairs; and there are further subjects dealt with which, though apparently of a domestic character, are in reality the common concern of all the free nations of the British Commonwealth.

It would be inappropriate to end this Introduction without a reference to the gift of the Speaker's Chair to the Canadian House of Commons from the members of the Empire Parliamentary Association in the Parliament of the United Kingdom. As will be seen from the summary, the offer of the gift was accepted on the formal motion of the Prime Minister of the Dominion, seconded by the Leader of the Opposition, and it is satisfactory to observe that the Canadian Parliament regards this gift as another illustration of the spirit of comradeship which prevails between the members of the two Parliaments.

The Parliament of New Zealand commenced the new Session in June, so the proceedings cannot be summarised until the next issue. The Newfoundland Parliament met in April and rose on 13th July. A few Bills have been summarised, but the debates did not reach this country in time to be treated in the present number.

THE EDITOR.

EMPIRE PARLIAMENTARY ASSOCIATION
(*United Kingdom Branch*),

WESTMINSTER HALL,

HOUSES OF PARLIAMENT,

LONDON, S.W.1.

25th July, 1920.

* Owing to the considerable number of amendments made in Committee, it was decided to hold over to the next issue the summary of the Bill introduced into the South African Parliament to control and reduce house rents.

UNITED KINGDOM.

In the last number of the JOURNAL the proceedings of the Second Session of the present Parliament were summarised up to Easter. The House of Commons reassembled on 12th April, 1920, at the close of the Easter Recess, and subsequent transactions in Parliament down to 1st July are dealt with below.

LEAGUE OF NATIONS.

On 17th June, 1920, the House of Commons, in Committee of Supply, discussed the Vote for Diplomatic and Consular Services, in which is included the British contribution to the expenses of the League of Nations.

DEBATE IN HOUSE OF COMMONS.

The Lord President of the Council (the Right Hon. A. J. Balfour) made a statement on the present position of the League and its immediate prospects in the future. He pointed out that the League came into operative existence six months ago, but it was not until four months ago that the full tale of the original members was reached. He reminded the Committee that the organisation of the League took time, labour, and thought, and that, in addition to what it had done in the way of organising itself in accordance with the Pact, it had been able even now to perform considerable service to the comity of nations. The work of the League in connection with organisation consisted in the first place of appointing a Secretariat, which would be the permanent thread, so to speak, on which the efforts of the League would be strung. That organisation was at present settled in London, and would be until after the general meeting of all the nations in November. The Secretariat—though undoubtedly it would have to be increased as the work of the League expanded—was now, broadly speaking, complete and adequate for the immediate duties of the Council and the League generally.

There had been attached to the Secretariat a particular officer whose business it had been to watch on behalf of the League those duties entrusted to it in connection with the traffic in women and children. In addition an office had been established for the registration of treaties. One of the objects which the Pact had in view was that in future no contracts

between nations should be entered into contrary to the Pact, and that future treaties, if they were to be valid, should be registered and open to inspection by the whole world. With regard to the division of expenses as between the various nations composing the League, it was proposed to submit that crucial question to the analysis and consideration of experts when the International Finance Committee met at Brussels. They were directed by the Pact to create certain permanent advisory committees, and it was on the work of those committees that a great deal of the future utility of the League would undoubtedly depend.

Diminution of Armaments.

The permanent committee to advise on the subject of armaments, and cognate military, naval, and air questions, was already at work. "I am one of those," said Mr. Balfour, "who think that if the League, acting as the organ of the Peace Conference, fails in its endeavours to promote a diminution of armaments much of its utility will have gone, and we shall have to admit that so far it has failed to carry out the high expectations which most of us think that we are justified in entertaining as regards its future activities. . . . If each nation declines to adopt any reform of armaments on the ground that armaments on the old scale are necessary for its security, then the tragedy for the world and for the nations which compose the League will be great indeed. I have no fears that this tragedy will indeed be enacted, but I do not wish to conceal from the House that in my opinion the questions which will be raised are questions of extreme difficulty and of extreme delicacy, and that they will require, not merely all the knowledge of the experts who make up our permanent advisory committee, but all the tact and judgment of the Council and all the patriotism of the nations which are involved."

Permanent Committees.

Continuing, Mr. Balfour said the machinery had been created for appointing the second permanent advisory committee in the matter of international health. The third permanent committee, which had to do with transit and waterways communications, would be appointed, he hoped, after the general meeting of the League. The fourth and last of these committees was in some respects the most important of all, and was the one most intimately connected with the problem of maintaining peace. It was the permanent committee which might properly be described as the Tribunal of International Justice. "The world has made attempts, more

or less successful, before now to establish such a tribunal," the right hon. gentleman remarked. "I believe that the methods we have adopted will establish it in its best form and in a shape which will command the confidence of all the nations of the world, for, indeed, all the nations of the world will have a hand, more or less directly, in drawing it together." This permanent body would be the referee for all cases of dispute in law, and he could not imagine a more important adjunct to the general system of the League machinery.

Work of the League.

Coming to the work done by the League in connection with the Peace Treaty, Mr. Balfour said the Boundary Commissioners had been appointed to delimit the Saar Valley, and were at work. The international body also appointed for the government of the Saar Valley was doing its work efficiently and had already presented two reports. The only other point on which much work had been done under the Treaty related to Danzig. The League of Nations was responsible for appointing a High Commissioner and throwing on him the duty of framing a constitution for Danzig. The High Commissioner had performed that duty in consultation with the people of Danzig and to their general satisfaction. The League of Nations had nothing whatever to do with the framing of the Treaty between Danzig and Poland. That was to be framed under the provisions of the Treaty with Germany by the Peace Conference. But when the work had been accomplished, then it had to be put under the guardianship of the League of Nations in the sense that whenever there was a dispute between the two parties to the Treaty that dispute should come before the League.

The League had had before it three or four important questions which were not imposed upon it by Treaty obligations. The first was an attempt to deal with the threatened invasion of zymotic disease from the East to the West, especially in Poland. Leading medical authorities were seriously alarmed as to what was going to happen in Central Europe and the countries West of it in the coming winter. It was most important during the summer to adopt preventive measures by which the population of Europe might be protected from such calamities as those with which their forefathers were only too familiar when the plague was a matter of constant and fatal recurrence. The League had acted through the Red Cross Societies, and in addition had made an appeal to the nations forming the Union to provide such funds as were necessary for staying the plague. Another task of an important nature which it had undertaken was the return of

prisoners from Russia and Siberia to Europe, and from Europe back to Russia and Siberia.

A further matter which had come under the consideration of the League was the position of international finance. There was to be a meeting of experts from all countries—he hoped even America would be unofficially represented—at no distant date at Brussels. If it did nothing else it would elicit a full, clear and impartial statement of the actual financial position of the world at that moment.

As to Armenia, the League had offered to the Supreme Council to do its best to find a European nation which would undertake the task of becoming the mandatory for Armenia, if some of the nations were prepared to find certain resources to enable it to carry out its duties. That, in very rough outline, represented the labours of the League during its first two months of existence. He doubted whether any wise man would have thought it was capable of much more. He almost hoped that many wise men would think that what it had done was even more than might reasonably have been expected.

He believed that if the nations working in concert through the League really had the insight and the patriotism to use the machinery which they had created to the best of their ability, they would gradually build up a state of public feeling which, in the absence of any positive sanction, would make such disaster as they had gone through in the last five years absolutely impossible.

“No rational man would suggest that the League of Nations is constituted to deal with a world in chaos or with any part of the world which is in pure chaos,” Mr. Balfour added. “That must be dealt with either by the Supreme Council or in other ways. The League of Nations may give occasional assistance, frequent assistance, effective assistance, but the League of Nations is not, and cannot be, a complete instrument for bringing order out of chaos. Those who would throw upon it that burden in the name of peace and in the name of the League of Nations and in the name of co-operation amongst civilised peoples are doing the greatest disservice they could to the League of Nations. The League of Nations will serve you well if you do not overload it; at least that is my hope, my faith, my belief. If you overload it you will assuredly break it down.”

Poland: Mandates.

The Right Hon. H. H. Asquith (Leader of the Independent Liberal Party) agreed with Mr. Balfour that most of the things

the League had done were distinct steps on the road to improvement. He went on to say, however, that it was impossible to contend that Article 11* of the Covenant did not apply to such a case as that of the recent aggressive action on the part of Poland. They had not yet had in that House, or outside, any satisfactory reason given why in that first and really crucial test case of the efficacy of that part of the Covenant, the League, or those members who had the greatest authority in the Council of the League, stood by in silence and inertia while that aggressive enterprise on the part of Poland was embarked upon. Dealing with Article 22, the right hon. gentleman said the question whether or not in the case of territories or populations of the kind mentioned there, a mandate should be given was a question not for the Powers, but for the League. The character of each particular mandate was to be determined by the League, as expressly provided by the third paragraph of the Article.

"We had a case† yesterday—a small case, it is true—in which an agreement had been entered into which recited an alleged mandate not given by the League, but given by the Allied and Associated Powers to the British Empire, in which the terms of the mandate were settled by joint agreement between them, behind the backs and without the knowledge of anybody else, and provision was made of a more or less detailed kind for the administration of this territory in the future. Is that consistent, or is it not consistent, with the terms? Ought the League or ought it not, before that hypothetical mandate had been embodied in an agreement, to have been consulted and gone through the various stages mentioned in the Article to determine what the mandate should be?" The right hon. gentleman went on to ask if the mandate for Palestine proceeded from the League of Nations, and also were they to understand that this country had received a mandate for Mesopotamia? If so, by whom was the mandate conferred?

There should not, he added, be a shadow of doubt in anybody's mind that they in Great Britain, at any rate, were doing their best straightforwardly to carry out the objects of the League.

* "Any war or threat of war, whether immediately affecting any of the members of the League or not, is hereby declared a matter of concern to the whole League, and the League shall take any action that may be deemed wise and effectual to safeguard the peace of nations. In case any such emergency should arise, the Secretary-General shall, on the request of any member of the League, forthwith summon a meeting of the Council."

† The Nauru Island Agreement, see page 407.

The Labour Organisation.

The Right Hon. G. N. Barnes (*Labour, Glasgow, Blackfriars*) referred to the work done by the Labour Organisation which was a section of the League. Under the *ægis* of that Labour Organisation there had already been held a Conference at Washington at which eight conventions were drawn up. Most of those conventions had already been the subject of debate in the Parliaments of the world, and only a few nights ago in that House they discussed a Bill to give effect to three of them dealing with the conditions of the labour of women and children throughout the world. He ventured to say that the work of the Labour Organisation would be one of the most important connected with the League of Nations.

Government and the League.

The Right Hon. J. R. Clynes (*Vice-Chairman of the Parliamentary Labour Party*) said he could not avoid seeing that there were many members of the House, nominally supporters of the Government, who had not given that support to the Government to which it was entitled in connection with the League of Nations. They had treated the matter too lightly. It was not merely making machinery to prevent war, but the creation of a new spirit in the world's affairs which would make for peace. Referring to disarmament, the right. hon gentleman said they must have a definite policy on the part of Governments themselves, and he asked how a desire for disarmament could spread when the Government supported a policy designed further to attract men to military service by dressing them more expensively and by taking them back again to that condition of attractiveness (involving an additional £3,000,000) which existed before the Boer War. He was not, he said, expressing a single word of reflection upon the soldier as such. The military spirit was not that which they should try to raise behind the work of the League of Nations. The big things, he added, the League had not yet taken in hand.

The Right Hon. Lord Robert Cecil (*Coalition Unionist, Hitchin*) said he was not altogether without misgivings as to the attitude of the Government towards this question. "I do not think it is doubtful," remarked the noble Lord, "that the Cabinet in this matter is not, I will not say united in policy, but not united in opinion. I do not doubt that my right hon. friend the Prime Minister is genuinely a supporter of the League. I do not doubt that my right hon. friends the Lord President of the Council and the Leader of the House are

equally genuine and sincere. But there are some members of the Cabinet who are at best lukewarm friends, and others who, I am afraid, may be, perhaps, described as partly concealed enemies."

The debate was adjourned under the Standing Orders of the House.

EMPIRE AND FOREIGN AFFAIRS.

(Constitutional Conference, &c.)

In the House of Lords on 17th June there was a brief discussion on the subject of the Imperial Conference. It arose upon a question addressed to the Government by Lord Charnwood in these terms :—

To call attention to the statement made by the Prime Minister in the House of Commons on the 17th May, 1917, in regard to "the whole question of perfecting the mechanism for 'continuous consultation' about Imperial and Foreign Affairs between the 'autonomous nations of an Imperial Commonwealth'" (together with India), and to the Resolution passed by the Imperial War Cabinet on the 30th July, 1918, in regard to the same matter; and to ask His Majesty's Government whether they can assure the House that the object in question will continue to engage their full and earnest consideration, and be pursued by every active step upon their part which may from time to time seem appropriate.

DEBATE IN HOUSE OF LORDS.

Lord Charnwood said there was a danger that the people of this country might seem indifferent, even if they really were not, to the problems of the Empire. There was also a danger on the other side that they might seem to some section or other of opinion in the Dominions to be guided by the desire of bringing them into a new kind of subjection, or what might amount to that, either to Great Britain or to the Empire at large. That was not the aim of any British citizen who had seriously considered the matter. They ought, however, to make it plain that they encouraged the principle—almost paradoxical as it sounded—that a matter of supreme importance in relation to the unity and strength of the Empire as a whole was that each of the younger nations within that Empire should develop its own independence and vigorous and alert sense of nationhood.

They must put out of their minds for a long while to come any idea of the present and immediate practicability of any

ambitious formal scheme of federation as, for instance, by the creation of a real Parliament of the Empire. It was perfectly certain that some of the Dominions—and he should think all—would have nothing to do with any such proposal. So they were brought back practically to this—that the continued and growing unity of the Empire depended upon their being able to revive, and make permanent in some form or other, that kind of close mutual consultation and co-operation between the different Governments of the Empire which appeared to have been so signally successful during the War and during the peace negotiations. He asked Lord Milner to tell the House “Whether communications are passing, or have passed, with a view to the effective revival and permanence in the future, in some form, of the Imperial War Cabinet which existed during the later stages of the War.”

He congratulated His Majesty's Government on the bold, but necessary and important, step which had been taken in inviting the Canadian Government to send their own representative to Washington. As to the League of Nations, he did not believe that its existence would prove in practice a cause of any real friction in the internal councils of the British Empire. On the other hand, he expressed his emphatic conviction that the vitality and efficacy of the League depended above all upon the maintenance for all time of the real unity of that group of nations within it called the British Empire.

Colonial Secretary's Statement.

The Secretary of State for the Colonies (Viscount Milner), in reply, said His Majesty's Government might be relied upon to do all that was possible for the time being to promote the objects which Lord Charnwood had in view. The noble Lord appeared to harbour the fear that it might still be possible for the people of the Dominions to feel a certain nervousness lest, in any proposals made in this country to bring about more harmonious co-operation between the different Governments of the Empire, there might be some idea of bringing the Dominions into a new form of subjection.

“It is now,” said Lord Milner, “common ground, I take it, . . . that we gladly accept the position, and look upon it as a step in the progress of the Empire and of humanity, that we are all under the King and under the Crown, and there is no kind of authority which, in practice (whatever may be the theory of the Constitution), the Parliament and people of the United Kingdom claim any longer to exercise over the Parliaments and peoples of the self-governing Dominions. We frankly accept the position that we are partner-nations of”

equal *status*, though obviously the oldest, still by far the wealthiest, of all these States and the one with the most world-wide possessions, relations and interests has, by common consent—it is merely by consent—a certain position of leadership as head of the family. That is the ground on which we frankly take our stand.”

He agreed with Lord Charnwood—he supposed they all did—that they regarded it as a matter of supreme importance for the Empire and for the world that the self-governing Dominions of the Crown and the United Kingdom should continue to pursue a common policy on all great international questions. If that was to be accomplished under present constitutional conditions, it could only be because the self-governing nations were agreed upon a particular policy. “There is no power, as I think, in the Constitution as it exists,” Lord Milner observed, “to impose the will of the majority upon one dissentient or recalcitrant member. If they are not agreed common action is not possible.”

Value of Common Consultation.

“I do not believe that on any great world question different views will be taken by the different parts of the British Empire so long as they remain in intimate touch with one another and are able to consult steadily before any crisis arises. What I dread is the possibility of a clash because action has been taken, for instance, by one member of the family—it naturally would be by the United Kingdom—or because some course has been pursued in foreign policy by our own Foreign Office over, perhaps, a number of years—perhaps it is a right course, but one of which the Dominions were not aware—which brings us up to a certain difficulty, a critical position, when we should not find ourselves supported by other members of the family, simply because they did not know enough of the previous circumstances which had put us in the position when that decision had to be taken. Therefore, what seems of vital importance in this matter is to keep up continuous knowledge, on the part of all the self-governing members of the Empire, of the course which any one of them is pursuing (and in the main that means which the United Kingdom is pursuing) in matters of foreign policy.”

Proceeding to examine the provision actually existing at present “for common consultation, for exchange of views, and for framing, by deliberation with one another, a common policy of the Empire,” Lord Milner said that a good deal of very useful work in pulling the Empire together had been the result of the quinquennial meetings of the Imperial Conference. Moreover, they must look upon the Imperial Conference

proper as a regular and permanent organ of their Empire Constitution, inasmuch as it had a Secretariat which was a branch of the Colonial Office, and which existed in order to pursue, in the intervals between the meetings of the Conference, the various questions which had been discussed at the Conferences, and, so far as possible, by addressing the various Governments to see that the Resolutions of past Conferences were carried out. An institution of that kind, however, was very far from being able to ensure that the strength of the Empire was continuously brought to bear upon the direction of the affairs of the world in the way in which the powers of any unified Government could be so exercised. Therefore, the question arose whether it was not up to them to devise some means of making the influence of the Empire as a whole—as distinct from the United Kingdom—continuously effective in the councils of the world.

The Imperial War Cabinet achieved that, but it was by its nature a temporary institution. He was convinced that they would be able to hold together on all matters of world importance only if they kept touch more closely than it was possible to do merely by means of Imperial Conferences held every four or five years.

The 1921 Conference.

“That the necessity is felt in the Dominions,” Lord Milner remarked, “is proved by the fact that the Imperial Government has been pressed strongly by all of them to hold a meeting as soon as possible in order that the constitutional question may be discussed in all its details with a view of seeing how harmonious co-operation can be secured in the future. It was at one time hoped that this meeting would take place this year. As a matter of fact we are all now agreed that it must be put off until next year. The Governments of every part of the Empire have their hands so full at this moment with domestic questions, the aftermath of the War, that their leading men cannot be spared to meet at one spot during the present year, and, unless the leading men are there, it is of no use.

“This meeting, if it is to be a success and put the future constitutional relations of the Empire on a good footing, must be a meeting practically of Prime Ministers—not exclusively of Prime Ministers, but they would have to be there. Therefore, this meeting, which has been described as a Constitutional Conference, because it will be a conference to decide on the future constitutional relations of the different parts of the Empire, must not be confused with the periodical Imperial Conference which, as I have said, is already a fixed and

permanent feature of our Constitution. It may take the place of the Imperial Conference for a particular year, but it is, in its nature, distinct from it. It is in the nature of a Constituent Assembly which is to try to arrive at the basis upon which our relations with the Dominions are in future to be conducted."

The Colonial Secretary added that he looked forward with intense interest and with great hope to the meeting of the Constitutional Conference, and he hoped it would not separate without having provided the British Empire with some organ of Government, based upon the recognition of the complete independence and equality of its different parts, which would, nevertheless, enable them to act promptly and effectively when they were all agreed, and to exercise in peace, at least to some extent, the beneficent, harmonious co-operation which was so brilliantly illustrated in the War.

At the close of Lord Milner's speech the subject dropped.

IMPERIAL DEFENCE.

A debate took place in the House of Lords on 5th May on the subject of the Committee of Imperial Defence and its relation to the War Staffs of the Navy, Army and Air Force. It was initiated by Viscount Haldane and the reply for the Government was made by the Secretary of State for Foreign Affairs.

DEBATE IN HOUSE OF LORDS.

Viscount Haldane remarked that at present they had in the Army, the Navy, and to some extent in the Air Force, organisations of officers specially qualified who were set aside for the task of studying the possibilities of war, and forecasting and preparing plans for dealing with possible situations. These Staffs had been in existence for a very short time, but they had grown and showed great promise.

It was suggested that on the top of these Staffs should be placed a new body—a sort of Imperial General Staff, which should consist of distinguished officers who would direct and influence the activities of the special Staffs. More than that, it was suggested that there should be a Minister of Defence, supreme over all the Services, who, with the aid of the new Imperial General Staff, would direct their military policy. He thought that a retrograde suggestion, that it was not in accordance with the experience of other Armies and

Navies, and that it would not lead to reform, but to going back to a condition where stagnation might well begin to set in. If ever there was a time when the work of the Staff mind was necessary, when it was essential that there should be continuous and anxious observation of what was going on in new quarters, and study of the new problems—more difficult because they were more vague and more contingent—it was to-day.

Not only did the Committee of Imperial Defence bring together the various Departments of the Government, but it provided a roof under which Colonial Ministers could come without the slightest sense of sacrificing their independence, as it was the *doyen* of the Prime Ministers—the Prime Minister of this country—who presided over the meeting. For that reason he maintained that it was an irreplaceable body. The importance of the Prime Minister being at the head was that he alone could command the necessary position with the rest of the Dominions of the Crown, and he alone was in the position to speak with that gentle authority which was sufficient to bring people together. It was because an organisation of that kind, loose as it might seem, was more in accordance with their Constitution, and still more in accordance with the Constitution of the Empire and its necessities, that he asked the Government not to come to any conclusion in favour of an alternative system.

A Permanent War Cabinet.

Lord Treowen said that he, and other officers with whom he had spoken, felt that the new development in their constitutional system represented by the War Cabinet had been very useful and should have some counterpart in times of peace.

The Marquis of Crewe remarked that, so far as he could ascertain, the great weight of instructed opinion did not favour the creation of a Ministry of Defence to be in supreme control of all the three great arms of offence and defence.

The Secretary of State for Foreign Affairs (Earl Curzon of Kedleston) said it was their duty now to provide for the Empire the best machinery, both administrative and executive, which would enable them to profit by the lessons of the War; to consider, in the first place, the military requirements of the Empire, and, in the second, the degree to which the military resources of the Empire were adequate to supply them; to lay down their military policy for the future, and to produce the maximum force in time of war with the minimum expenditure in time of peace. The problem, if not a new one—because it arose at the end of every war—was at any rate a

much larger one than on any previous occasion, because they had to secure co-operation now not only between three services instead of two, but between those Services in all parts of the Dominions which constituted the Empire of the Crown.

Committee of Imperial Defence.

The Committee of Imperial Defence was not extinct. It was in active existence. The Oversea Defence Committee, the Home Ports Defence Committee, and the Co-ordination Committee were in full operation. The last-named Committee was engaged on the reconstruction of the War Book in order that the lessons of the War might not be lost in their future organisation. "I must not be thought by this remark," said the noble Earl, "to suggest that war is in sight, although I am afraid that the condition of the world cannot be described as otherwise than troubled. Still less must I be thought to be disparaging the labours of the League of Nations, to which we look in future, if not to eliminate war, at any rate to reduce the opportunities for its occurrence and to mitigate its scale and hardship when it does occur. Nevertheless, you will agree with me that no nation in the modern world can afford to run risks, and as a matter of precaution the lessons of the late War are being carefully studied here, as I have no doubt they are also in the other belligerent countries.

"The Co-ordination Committee have appointed a number of sub-Committees for this purpose. The Imperial Communication Committee, which is a sub-Committee of the Committee of Imperial Defence, is also in active operation. It is a mere accident that a plenary meeting of the Committee of Imperial Defence has not already been held. As a matter of fact, a meeting had been arranged to take place a few weeks ago, and was only postponed because of the intervention of the San Remo Conference, for which we all had to go away. Another meeting, arranged some time ago, was also to have taken place this week, and has only been temporarily postponed because of the absence through indisposition of the Prime Minister.

"In reality the reason why the Committee of Imperial Defence has not been meeting during the last few years must be obvious to your Lordships. It is the existence of the Peace Conference. Until the Peace Conference has finished its labours and until the Peace Treaties have been drawn up it is clear that our scheme of future Imperial defence must be, to a large extent, in suspense. The outlook, of course, is clearing. The German and Austrian and other European Treaties have been concluded, but the Turkish Treaty has not, and when you realise the extent of the world's surface which will be

affected by the conclusion of the Peace Treaty with Turkey you will see how profoundly the problem of Imperial defence must be affected by it. A portion of the Secretariat of the Committee of Imperial Defence has been employed in the British Secretariat of the Peace Conference. This was considered desirable in view of the close connection between the peace settlement and our future foreign and defence policy.

“As we emerge from the phase of treaty-making, as we come on to the ground that will follow, and as the situation becomes rather more clear, so will our policy itself be easier to define, and so shall we be able to co-ordinate the work of the Defence Committee with the work of our branch of the League of Nations and with other organisations that exist for the purpose.

Constitutional Conference: Future Progress.

“There is yet another stage that has not been mentioned which has to be borne in mind. Your Lordships may remember that a promise was given that at the end of the War—I think it is to be redeemed next year, if not this—there was to be a Constitutional Conference on the future relations of the Mother Country with its Dominions in various parts of the world, and it would be unwise to indicate too definitely a forward policy with regard to Imperial defence until that Conference has taken place. There are some we know who look forward, as the result of such inquiry, to the constitution in some form or another of an Imperial Cabinet, whether for purposes of war or in general. But however that may be, the deliberations of this body when it meets must have a great effect upon our policy and upon our proceedings.”

The noble Earl proceeded to say that in the Committee of Imperial Defence they had a body sufficiently elastic to throw off the various forms and developments which were suited to the exigencies of the time as they occurred. He thought the Committee—the future of which was, in his judgment, quite assured—afforded sufficient grounds for believing that they had a good starting point for future Imperial constitutional progress, without any attempt to give more precise details at the present moment of the form the latter might take. As to the project, which had found favour in some quarters, of a Ministry of Defence, the question had not yet been examined in detail either by the Cabinet or by the Committee of Imperial Defence. But, so far as he could judge at present, those were not the lines upon which it seemed probable, as at present advised, that the Government were likely to proceed. Regarding the suggested creation of an Imperial General Staff, in so far as he had studied the

matter, he had not been able clearly to determine how such a scheme would fit in with the work of the Committee of Imperial Defence, assuming the latter to continue to exist in the manner which he had described.

He fully realised that they would want in the future closer *liaison* between Staffs of the various services than in the past. It was indisputable that they wanted some machinery to avoid overlapping of functions on the one hand and duplication of work on the other. Further, they wanted to associate advice with responsibility in the sense that the Department or the Government, or the individual who was responsible for giving the advice, ought to have some connection with the carrying out of the advice when it had been given. Whether those ends, upon which they all agreed, would be found in a development of existing organisations, or whether they would be found in some new departure it was premature to say.

Earl Stanhope, who served as a Staff officer at Versailles, said the Committee of Imperial Defence could deal with policy and armaments in their broad general outline. It was unfitted to think out strategical and practical problems in all particulars. Still less was it fitted to co-ordinate the problems within the three Services. He suggested that a permanent body on the lines of the Versailles Military Staff, with purely advisory functions, might be even more valuable in time of peace than it proved in time of war.

Viscount Haldane thanked the Leader of the House for his reassuring speech and the debate ended.

NAURU ISLAND AGREEMENT BILL.

On 11th June there was introduced in the House of Commons by the Parliamentary Secretary to the Ministry of Shipping a Bill "to confirm an agreement made between the Governments of the United Kingdom, Australia, and New Zealand in relation to the Island of Nauru." The agreement has already been confirmed by the Parliaments of Australia and New Zealand. (See Vol. I., No. 1, of the JOURNAL.)

DEBATE IN HOUSE OF COMMONS.

Moving the Second Reading of the Bill in the House of Commons on 16th June,

The Parliamentary Secretary to the Ministry of Shipping (Colonel Leslie Wilson) described the objects of the agreement, which have been fully summarised in the JOURNAL, in con-

nection with last year's debates in the Parliaments of the Dominions concerned. He said that although the agreement referred only to Nauru, the enterprises of Nauru and Ocean Island were so closely connected that the agreement to buy out the Pacific Phosphate Company in one economically involved extension to the other. With regard to the price of £3,500,000 he was at liberty to say that Mr. Watt, while still Treasurer of the Commonwealth, went into the question very carefully indeed when over here and satisfied himself that it was reasonable.

The Right Hon. F. D. Acland (Independent Liberal, Camborne): "Could the hon. and gallant gentleman say what is the paid-up capital of the company?"

The Parliamentary Secretary to the Ministry of Shipping: "The capital of the company was £1,200,000, all fully-paid shares except 375,000 £1 ordinary shares of which 10s. was paid. While there have been only nominal dealings in the shares, last December their market value averaged roughly something like £5 each."

Lieutenant-Commander Kenworthy (Independent Liberal, Hull, Central): "What was the value before the discussion in New Zealand and Australia and the publication of the terms?"

The Parliamentary Secretary to the Ministry of Shipping replied that he understood the shares had not moved for some considerable period, and the figure he had given was the actual market value on returns which had been received. He was fully convinced that there was never a more sound investment for this country and the Empire, not only from the financial point of view, but also from the point of view of securing for all time—he did not exaggerate in saying that considering the amount of phosphates available—an all-important raw material for the rejuvenation of their land, the demand for which must inevitably increase as the years went by.

Rejection Moved.

The Hon. W. Ormsby-Gore (Coalition Unionist, Stafford) moved an amendment in these terms:—

"That this House declines to proceed further with a Bill which is in direct conflict with the Articles of the Covenant of the League of Nations, as agreed by the Allies in the Treaty of Versailles, regarding the open door and the principle of Trusteeship to be imposed upon Powers undertaking a mandate on behalf of the League."

The hon. Member said they were asked to pass a Bill establishing what seemed to him to be a quite irresponsible

administration in an island, admittedly with a small population, where they were setting up a gigantic State monopoly, competing with the other phosphate countries of the world, as mandatories of the League of Nations. It was most important, in view of the things that had been said in France and in the French Chamber regarding the British position in the Near and Middle East, and more particularly in Mesopotamia, that a responsible member of the British Government should make perfectly clear what were their rights as mandatories over the natural resources of territories for which they were to assume trusteeship on behalf of the League of Nations. If the mandate was conferred on the whole British Empire they could not, without gross violation of their whole Imperial arrangement, confine the mandate to two self-governing Dominions and the Mother Country.

Mr. C. Jesson (*National Democratic Party, Walthamstow, W.*): "Except by agreement."

Mr. Ormsby-Gore: "Except by agreement with the Canadian Government, the Government of the Union of South Africa, and the Newfoundland Government." Proceeding, he said that from Articles 1 and 2 of the agreement it appeared that the Administrator who was responsible for the government of the island was an entirely irresponsible person. If the mandate had been conferred upon the British Empire the Administrator on behalf of the Empire must be appointed by and be responsible to the Imperial Parliament.

Predatory Imperialism.

Mr. Oswald Mosley (*Coalition Unionist, Harrow*) seconded the rejection of the Bill on the ground that it constituted a direct negation both in substance and in spirit of Article 22 of the Covenant of the League of Nations. "We are," he said, "setting up in this island a national monopoly on the lines of the worst days of the predatory imperialism of the past."

The Right Hon. Lord Robert Cecil (*Coalition Unionist, Hitchin*) said the policy of mandates was one of the most important things that was designed to be done by the Covenant of the League of Nations, and it appeared to him to be absolutely inconsistent with the provisions of the Covenant to proceed with that Bill. There was no idea that the mandatory was to use the power conferred in order to secure a monopoly of the riches of the mandated country, and they were going in the first case that had to be dealt with under the new system to set a disastrous example.

The Right Hon. H. H. Asquith (*Leader of the Independent Liberal Party*) agreed that a most important question of principle was here involved. What power, he asked, had the

Allied and Associated Powers to confer a mandate on the British Empire, or on anybody else? In his judgment the use of the word "mandate" in the Preamble of the Bill was a misnomer wholly inappropriate and inapplicable to the case, and, if it meant what it professed to mean, it certainly implied an express violation of Article 22 of the Covenant of the League of Nations. The penultimate paragraph of that Article said:—

"The degree of authority, control, or administration to be exercised by the Mandatory shall, if not previously agreed upon by the Members of the League, be explicitly defined in each case by the Council."

An Illegal Document.

"*Ex concessio*," said Mr. Asquith, "it has not been so defined in this case. This is an agreement, therefore, which has no legal or international validity of any sort or kind and which, indeed, in the terms in which it is made is in flagrant contravention of both the letter and the spirit of the Covenant of the League of Nations I think South Africa and Canada are as much entitled as any other part of the Empire to have a voice in the matter, but what I think is far more important is that here, in the execution of this supposed mandate, which, as I have said, can only legitimately proceed from the League of Nations representing the world at large, you are going to give preferential treatment to particular parts of your own Empire as against the rest of the world. A worse example to set and one in more open contradiction to the provisions of the fifth paragraph of Article 22, which provides that in the execution of the mandate equal opportunities shall be secured for the trade and commerce of all the other members of the League, I think it is impossible to conceive. It is illegal in its origin, unequal in its operation; it is opposed in all respects to the letter and the spirit of the Covenant of the League of Nations; and I earnestly trust His Majesty's Government will reconsider it and not press it."

The Leader of the House (the Right Hon. A. Bonar Law) did not look upon the agreement as such a departure from principle as would justify the kind of speeches that had been delivered. It had been assumed that they were doing something to the detriment of other nations by the Bill which would not happen under any other arrangement. The island was, in effect, a phosphate island, as there were only some 1,000 or 1,500 inhabitants of any kind. "It has," continued the right hon. gentleman, "been throughout a commercial undertaking; it was in the possession of a company, originally German, which was bought up by a British Company, and if we do not pass this Bill that company would have every one

of the rights which we are now claiming for the British Empire. It could treat the product of that island in any way it liked, and therefore it is obvious that, so far as the general good of the world is concerned, nothing is lost by transferring this power to a body represented by the British Empire as compared with a private trading company."

Support of the League.

He was himself in Paris when the British Empire Delegation considered the subject. An agreement of that kind was come to as the best method in all the circumstances of the case, so that the House must put on one side any question of unfairness to other parts of the British Empire. The real gravamen of the charge was that they were doing something that upset the whole League of Nations and showed complete selfishness. He did not see how any sane man could say that selfishness came in at all, while the passing of the Bill did not in any sense preclude the League of Nations, if they thought the arrangement unfair, from refusing to confirm it. Everyone of the mandates would be submitted to the League of Nations for confirmation. He had no doubt that the League would agree to that mandate, and he ventured to say that all the outcry was due to the belief of Lord Robert Cecil that the Government were not sufficiently serious in their devotion to the League of Nations.

"I think he is wrong," the Leader of the House added. "I think—indeed I know—the League of Nations has suffered enormously by what has happened in America. I know that the only chance of it ever being useful—I suppose it is due to national prejudice—is that the British Empire should earnestly support the League as soon as it can."

The Right Hon. Sir Donald Maclean (Chairman of the Independent Liberal Party in Parliament) said that in the court of justice of the world they, the leading trustee under the League of Nations, in their first act would be faced with the fact that they had for commercial reasons taken a position in flagrant violation of the Articles of the Treaty solemnly concluded at Versailles.

Labour Criticism.

The Right Hon. J. R. Clynes (Vice-Chairman of the Parliamentary Labour Party) said one objection of the Labour Party to the Bill was not that it handed over to the Government enormous powers administratively—for that was inevitable in such a business—but that there was no provision by which the conduct of the Administrator could ever be

called in question in any of the Parliaments concerned. The central objection was that the Government had completely set aside the provisions of the League of Nations Covenant, and he asked them to reflect on the harmful international effect of such an attitude.

On a division the amendment to reject the Bill was defeated by 217 votes against 77. The Second Reading was then agreed to, and the measure was referred to a Standing Committee.

The financial Resolution, authorising the payment of the share of the United Kingdom of the compensation due under the agreement, was afterwards debated in Committee of the House.

The Parliamentary Secretary to the Ministry of Shipping said the share of the United Kingdom amounted to £1,486,380, and legal expenses would bring the total expenditure up to £1,488,000.

The Resolution was agreed to by 206 votes against 62, and on the following night it was carried on Report by 60 votes against 20.

COLONIAL OFFICE ESTIMATES.

Colonial Office estimates for the financial year 1920-21 were discussed in the House of Commons on 26th April. It was explained that £475,000 had already been voted on account, and a further sum of £169,810 was now asked for, making the total for the year £644,810.

DEBATE IN HOUSE OF COMMONS.

Sir J. D. Rees (Coalition Unionist, Nottingham, E.) called attention to the affairs of Nyasaland. In imposing export duties on raw produce from that Colony for railway construction and other purposes, he said, the Colonial authorities had adopted a rather new policy. He urged that the Governor should be asked to give effect to the desire of the Colonial Office that the growth and export of cotton should increase by granting land upon easy terms to those who wanted it for cotton cultivation.

Brigadier-General G. K. Cockerill (Coalition Unionist, Reigate) referred to the Government's recent decision to change the currency system in the East African Protectorate, in

Uganda, and in the country now known as the Tanganyika Territory, by substituting for a rupee, which had a local value of 1s. 4d., a florin of 2s. At the same time it had been decided that for the repayment of debts and contracts which were incurred in rupees the new florin was to rank as the rupee. That decision had been received with amazement by the leading planters, settlers and producers in East Africa. It appeared to him to be both unjust and arbitrary.

The Under-Secretary of State for the Colonies (Lieut.-Colonel L. S. Amery), replying, said the particular revenue position in Nyasaland made it obligatory, if they were not to be financed by the British taxpayer, to make both ends meet. Under present conditions there was no easier, simpler and more justifiable tax than a relatively low export tax. As to the point raised by Brigadier-General Cockerill, he wished that they had a single permanent stable exchange for the whole Empire as it would be an immense help to Imperial trade. It would constitute a very valuable and absolutely unobjectionable form of Imperial preference.

**Lieut.-Colonel Sir J. Norton-Griffiths (Unionist, Wands-
worth, Central)** asked if there was any intention of investigating the possibilities of uniform exchange throughout the Empire.

The Under-Secretary of State for the Colonies replied that personally he was prepared to investigate the subject with the greatest possible interest, and he hoped it might be possible to secure such a growth of interest in the question throughout the Empire as might in the end lead to practical results. The rise of the Indian rupee had affected not only East Africa, but almost every one of their Colonies in that part of the world. The Colonial Office had linked up East Africa permanently with British sterling, and that appeared to be far more in the interests of the producer of every class of goods there than if they had allowed matters to remain unsettled for years in the hope that they might ultimately get back to the 1s. 4d. level for the rupee.

Southern Rhodesia.

Mr. T. W. H. Inskip (Coalition Unionist, Bristol, Central), speaking on the subject of Southern Rhodesia, said there was not a native who owned a single acre of land. Was Southern Rhodesia, he asked, to be one of the countries in which the natives had no rights at all?

Major Earl Winterton (Coalition Unionist, Horsham and Worthing) said this country had a great responsibility, not merely in Rhodesia, but in all parts of Africa, in seeing that the natives were not dispossessed of their lands. "It would,"

he said, "be tactless and undesirable to refer to the case of the Union, which is infinitely worse, but I have always foreseen that within the next 20 years a most serious state of affairs will arise through the whole of South Africa over the question of native land. I regret that more attention has not been given to the subject by the Colonial Office. The only way in which it can be solved is by some form of conference between the responsible representatives of the different Governments of South Africa, the Union Government and the representatives of the Chartered Company and the representatives of this country, and I should like to see it discussed between General Smuts and the Prime Minister, because, sooner or later, we shall, through the whole of South Africa, be up against a difficult situation with regard to native rights."

Mr. B. C. Spoor (Labour, Bishop Auckland) said he did not want to enter into any discussion on the claim of the Chartered Company for the millions they were asking the British taxpayers to pay, as it would be out of place to do so until the report of Lord Cave's Commission was received. He asked, however, that before a single penny of British money went to those who were in control of the Chartered Company the fullest opportunity would be given to the House of Commons to discuss that claim in all its bearings.

The Under-Secretary of State for the Colonies said the native administration of Rhodesia was a model not only in Africa, but for any part of the world where they had the difficult problem of the white settler living side by side with the native. As to East Africa, he submitted that the policy of the Government was not in any way reactionary, but progressive. "We have to face a very difficult problem," he continued, "in dealing with education and development of the natives. It is not enough to say that economic inducements alone will bring the native to see the advantages of work and of raising his standard of living. There are some native races, the American Red Indians, for instance, or many of the splendid tribes in Polynesia, who have shown no inclination to take any interest in any form of economic development, and who, for this very reason, have tended to die out. I quite agree that the most desirable form of work is that where the native is an active and willing cultivator or worker on his own, and for his own direct profit. But it is no injury to him if he should work for a certain number of weeks or months in the year as a labourer for others—not, of course, under compulsion."

Colonel J. C. Wedgwood (Labour, Newcastle-under-Lyme) : "What about representation in East Africa?"

The Under-Secretary of State for the Colonies : "At this moment there is no representative or responsible government

for East Africa. The unofficial members on the council are there in a purely advisory capacity, and it makes no essential difference for the purpose whether they are elected or non-elected members. If you took the new franchise in India and conferred it on the Indians in East Africa you would only get the very smallest fraction of them entitled to vote, and for the present, at any rate, we believe the best form of representation will be found in the three nominated members, Indian and Arab, who are taking part in the East African Legislative Council. They are men who know the interests of their particular community; they have defended them with ability and skill, and we do not see at the present moment that it is in the interests of any section of East Africa to have an indiscriminate and uniform franchise, entirely ignoring the whole difference of past traditions and experience between the different races."

Further discussion of the estimates was subsequently adjourned.

THE BUDGET.

On 19th April, 1920, the House of Commons went into Committee of Ways and Means and the Chancellor of the Exchequer introduced his Budget proposals in a two hours' speech. The statement showed:—

(a) The position of the country at the end of the financial year which closed on 31st March, 1920; and

(b) His estimate of the position at the end of March, 1921, in view of the proposed new taxation, which in a full year will yield £198,230,000:

PAST FINANCIAL YEAR: 1919-20.

Expenditure	..	..	..	..	..	..	£1,665,773,000
Revenue	..	..	..	..	..	..	£1,339,571,000
Deficit (added to the Debt)	..	..					£326,202,000

NEW FINANCIAL YEAR: 1920-21.

Expenditure	..	..	..	..	..	..	£1,184,102,000
Revenue	..	..	..	..	..	..	£1,418,300,000
(Balance for reduction of Debt)	..	..					£234,198,000

Following is a summary of the principal taxation changes announced in the Budget:—

Spirits: Duty raised by 22s. 6d. to 72s. 6d. per proof gallon. Retail prices advanced in public bars by 2½d. per gill and 2s. per bottle.

Beer : Duty increased by 30s. per standard barrel. Price to the consumer to be raised a penny per pint.

Wines : Duty doubled, with a 50 per cent. special *ad valorem* duty added in the case of imported sparkling wines.

Cigars (Imported) : 50 per cent. *ad valorem* duty added to existing duty.

INCOME TAX.

Differentiation in favour of "earned" income maintained, but given by making a deduction of one-tenth of the "earned" income (subject to a maximum deduction of £200) for the purpose of arriving at the "assessable" income. Relief given in all cases irrespective of the amount of the total income. "Assessable" income to be, in the case of "earned" income, the amount of such income after deducting the amount of the differentiation relief, and in the case of other income (hitherto known as "unearned" income, but now to be described as "investment" income) the actual amount of such income.

Exemption Limit : Raised to £135 for a single man and £225 for a married man. Where the income is wholly earned these limits are equivalent to £150 and £250 respectively.

Reduction of Standard Rate of Tax : Whatever the amount of the taxable income, the first £225 to be charged at half the standard rate and only the excess over £225 to be charged at the standard rate.

Children and Dependents' Allowances : £36 for one child and £27 for each subsequent child. The allowance for a dependent relative to be £25. Housekeeper allowance maintained at £50 in specified circumstances.

Life Assurance Premiums : Where the total income does not exceed £1,000, allowance of half the standard rate ; where the total income exceeds £1,000 but does not exceed £2,000, three-fourths of the standard rate ; where the total income exceeds £2,000, the standard rate. On insurances made after 22nd June, 1916, the allowance of tax to be at half the standard rate irrespective of the amount of the total income.

Super-Tax : Limit of exemption to be lowered from £2,500 to £2,000. Rates of tax to be increased under a graduated scale to a maximum of 6s.

Double Income Tax : Substitution for temporary arrangement in regard to income chargeable to a Dominion Income Tax as well as to United Kingdom Income Tax (whereby relief from double taxation has been allowed, at the expense of the British Exchequer, subject to the retention of United Kingdom Income Tax at a rate not less than 3s. 6d. in the £) of a permanent scheme of relief, which, given complementary action on the part of the Dominions, will afford complete relief by the elimination of the lower of the two taxes charged upon the same income. Under the proposed scheme relief to be afforded, so far as the British Exchequer is concerned, by a deduction from the rate of the United Kingdom Income Tax (including Super-tax) up to one-half the rate of tax charged upon the individual taxpayer. If, therefore, the rate of the Dominion Tax does not exceed one-half the rate of the United Kingdom tax, the whole remission will be made from the United Kingdom tax.

Temporary Reliefs : Temporary reliefs in respect of Income Tax and Super-tax given during the war to soldiers, sailors, and others to be discontinued.

OTHER CHANGES.

Other proposed changes in taxation include the under-mentioned :—

Excess Profits Duty : Rate of the duty to be increased from 40 per cent. to 60 per cent. as from 1st January, 1920, but in the event of a War Levy* being imposed later in the Session the increase of 20 per cent. to be cancelled.

Corporation Profits Tax : New tax of 1s. in the £ to be imposed on profits of concerns with limited liability engaged in trade or transactions of a similar character. No tax to be charged upon the first £500 of such profits, and any Excess Profits Duty payable to be treated as a working expense in arriving at the profits chargeable to the tax. If in any case the duty exceeds a sum equivalent to 2s. in the £ on the profits which remain after payment of interest and dividends payable at a fixed rate on existing issues of debentures and preference shares, the excess of the charge over that sum to be remitted.

Postal Charges : Postal and telegraph charges to be increased as follows :—

Inland letters : 2d. for 3 oz. and $\frac{1}{2}$ d. for every additional oz.

Letters to the British Possessions generally, the United States of America and British Postal Agencies in Morocco : 2d. for 1 oz. and 1d. for every additional oz.

Newspapers (inland) : 1d. per copy not exceeding 6 oz. and $\frac{1}{2}$ d. for each additional 6 oz.

Inland Parcels : 9d. not exceeding 2 lbs. ; 1s. for 5 lbs. ; 1s. 3d. for 8 lbs. ; 1s. 6d. for 11 lbs.

Inland Telegrams : 12 words 1s., and 1d. for every additional word. Extra charge of 6d. for Sunday telegrams.

Inland Money Orders : 4d. not exceeding £3 ; 6d. not exceeding £10 ; 8d. not exceeding £20 ; and 1s. not exceeding £40.

Postal Orders : 1d. for orders from 6d. to 2s. 6d. ; $1\frac{1}{2}$ d. for orders from 3s. to 15s. ; 2d. for orders from 15s. 6d. to 21s.

Telephone rates are to be increased. A Select Committee of the House of Commons has been appointed to report upon the subject. The rate for inland postcards will be raised to $1\frac{1}{2}$ d. as soon as the international rate is increased.

Stamp Duties : Duty on the share capital of companies to be increased from 5s. to £1 per £100.

Conveyances : The present exception in favour of transfers of stocks and marketable securities to be removed, and duty to be charged

* The question of the practicability of imposing a special tax on War-time increases of wealth was considered and reported upon by a Select Committee of the House of Commons presided over by Sir William Pearce. On 7th June the Chancellor of the Exchequer made a statement in the House of Commons as follows : "The Government, after full consideration of the Report of the Select Committee and of the respective advantages and disadvantages of the suggested scheme for a levy on War Wealth, have come to the conclusion that the dangers attendant on such a levy altogether outweigh any advantages which can be derived from it. They have decided not to make any proposals, in that sense, to the House."

on conveyances according to the higher scale, viz., 1s. on £5 ; £1 on £100 ; £3 on £300 ; and 10s. on every £50 above £300.

Marketable Securities to Bearer : Duty doubled. Duty on share warrants and stock certificates to bearer also doubled.

Insurance : *Ad valorem* duties on policies of sea insurance revised. Duty on accident, sickness, indemnity and fire insurance policies increased from 1d. to 6d. Stamp duty for receipts and scrip certificates raised from 1d. to 2d.

Land Values Duties : It is proposed to repeal the Increment Value Duty, Reversion Duty and Undeveloped Land Duty, imposed by Part I. of the Finance (1909-10) Act, 1910, and to take no action towards the collection of the outstanding arrears of those duties. Provision will be made for repayment of the duty already paid on application by the taxpayer. No further steps will be taken to bring to completion the general valuation of land prescribed by that Act.

Motor Cars and Motor Cycles : New duties to replace on 1st January, 1921, the duty of 6d. a gallon on motor spirit and the existing duties on motor cars and motor cycles :

Bicycles (including motor scooters) : £1 10s. to £3 according to weight ; with trailer or side car £4.

Hackney carriages : Seating not more than five persons, £15 in the metropolis and £12 elsewhere, and increasing amounts according to accommodation.

Motor cars (pleasure) : Not exceeding six-horse power or electrically propelled £6 and £1 for each additional unit of horse-power. Abatement of duty granted to medical practitioners and veterinary surgeons to cease.

Licence duties imposed on road locomotives, agricultural engines, and trade motor vehicles.

DEBATE IN HOUSE OF COMMONS.

The Chancellor of the Exchequer (the Rt. Hon. Austen Chamberlain), in unfolding his proposals, said the time had come when the victorious nations should lay broad and deep the foundations of future credit and prosperity. Reviewing the revenue and expenditure for 1919-20, he pointed out that the deficiency of £326,202,000 was £76,202,000 more than the Budget estimate, but nearly £147,000,000 less than seemed probable in October.* The floating debt which on 31st March, 1920, was £1,312,205,000, had been decreased in twelve months by almost exactly £100,000,000. Of the total deadweight debt, estimated at £7,835,000,000, external debt accounted for £1,278,000,000, showing a reduction of £86,000,000 in the course of the year. Those figures would be further reduced in the current year by the repayment to the United States of the Anglo-French loan of 500,000,000 dollars. The British Government had already begun to ship gold to

* See Vol. I., No. 1 JOURNAL OF THE PARLIAMENTS OF THE EMPIRE.

meet their share, and the action taken had the happiest effect on their credit.

The Government had decided that there should be no more borrowing to balance revenue and expenditure. Henceforth, if they borrowed, it would be only to fund the floating debt or to replace maturing debt. Of all forms of borrowing the sales of Savings Certificates was the one to which he had recourse, in so far as it was within his powers, with the greatest readiness. Before the war it was their misfortune that the premier national securities of the world—the stocks and obligations of the British Government—were held in comparatively few hands. That reproach had been removed by the success of the Savings Movement, which had such remarkable and admirable results that it would be a national misfortune if it were now allowed to come to an end. Against the 400,000,000 certificates sold, representing an original capital of £310,000,000, the withdrawals barely reached £38,000,000, of which sum not a little had gone into other Government securities.

Reduction of Debt.

Having dealt with the revenue and expenditure for 1920-21, Mr. Chamberlain explained that on the existing basis of taxation the estimated balance available for the reduction of debt would be £164,000,000.

“I hope,” he continued, “the Committee will feel that I have adequately fulfilled the expectation which I held out in October, that, if no additional expenditure were incurred in the interval, there would be a substantial surplus this year, on the present basis of taxation, to go towards reduction of debt. But is that surplus sufficient? In the opinion of His Majesty’s Government it is not. It is true that it represents more than 2 per cent. on the total debt, and a Sinking Fund of 2 per cent. would redeem the debt in 26 years—just a generation. This, in ordinary circumstances, would be, not merely an ample, but an extravagant, Sinking Fund. But the circumstances are not ordinary, and, apart from certain minor changes in taxation necessary for other reasons, I am going to call upon the Committee and the country for a further generous effort to improve our credit, and, by present sacrifice, to lighten our future burden, and establish securely our national credit. . . . Last year we actually added to our debt; this year we must begin to reduce it, and the beginning must be substantial.”

The Chancellor proceeded to show that he had to allow for the application of £160,000,000 of the surplus of £164,000,000 to the reduction of debt in other forms before he could attack the floating debt.

Taxation Proposals.

Proposed taxation changes were next dealt with by the right hon. gentleman in considerable detail. Regarding the position of the Post Office, he said that in 1913-14 the revenue, after defraying all charges, yielded a net surplus of £6,500,000, whereas now there was a loss of £3,000,000. To this had to be added an estimated further loss of £8,000,000 as the probable cost of settling the outstanding claims of the postal service for additional wages and bonus. The increased wages of staff over the level of 1913-14 would then absorb no less than £29,000,000 a year. He trusted the Committee would support the Government in the determination that, if the Post Office yielded them no net revenue, at least it should not involve them in a loss. The increased postal charges were estimated to produce £6,500,000 this year, and, when they were fully complete, enough to balance the Post Office expenditure in a full year. With reference to motor taxation, the principle on which the new proposals were based was that road users should make a substantial contribution towards the cost of both the maintenance and the improvement of the roads.

The Land Values Duties had produced hardly any revenue and, with the exception of the Mineral Rights Duty, were either wholly or partially in abeyance. They could only be revived, if at all, by proposing legislation of a highly technical character, and the Cabinet had unanimously come to the conclusion to repeal them, with the exception of the Mineral Rights Duty, which was a simple tax offering no practical difficulties of administration. The Government attached great importance to the existence of a State valuation of all the land and buildings of the United Kingdom, but until conditions were more stable it would be premature to plan its precise form. It was clear, however, that in connection with any future valuation it would be essential that the knowledge and information acquired by the Valuation Department of the Inland Revenue should be fully utilised, and, therefore, it was proposed to continue that Department in its present form.

Spirits, Beer and Wines.

The increased duty on spirits would yield in the current year £23,500,000 and in a full year £24,500,000. The increased beer duty would produce £22,500,000 in the current year and £30,000,000 in a full year. Notwithstanding the heavy increases made in beer and spirits duties in recent years the wine duties had remained untouched since 1899. He proposed, in addition to doubling the existing wine duty, that a 50 per cent. *ad valorem* duty should be levied on sparkling wines imported into this country. Under his proposal the average

duty payable on a bottle of champagne at present import prices would be about 6s. By these proposals he expected to obtain £3,800,000 in the present year and £4,100,000 in a full year.

Having explained other taxation changes, the right hon. gentleman announced that he did not propose to make any alteration in the standard rate of Income Tax, now 6s. in the £, but he would deal with the general reform of the tax in a separate Bill on the lines of the recommendations of the Royal Commission presided over by Lord Colwyn. Certain recommendations of the Commission, including those relating to the graduation of the tax and the important question of double Income Tax within the Empire, would be dealt with in the Finance Bill. Broadly, the effect of the new system of graduation was to eliminate the sudden jumps which had hitherto been an unfortunate element in their Income Tax system, and to produce an effective rate of taxation which, in the case of the individual taxpayer, progressed uniformly as his income increased. Under the new system greater regard was paid to the taxpayer's marital and family responsibilities, whilst the severity of the burden on invested income had been mitigated.

Double Income Tax.

On the subject of double Income Tax, the Chancellor said the Royal Commission had been able to find a solution of that troublesome problem. "The proposal provides," he proceeded, "that when within the Empire the same income is taxed twice, usually because it is enjoyed in some part of the Empire other than that in which it arises, the lower Income Tax should be eliminated by the countries concerned respectively remitting proportions of their tax equal in the aggregate to the whole of the lower tax. Between the United Kingdom and the Dominions it is proposed that relief should be afforded by the reduction of the rate of the United Kingdom Income Tax, including Super-tax, up to one-half of the rate of tax charged upon the taxable income, and the balance of relief, if any, shall be given by the Dominion concerned.

"Thus in the case of a taxpayer charged in the United Kingdom at the rate of 5s. on income which is also taxed in the Dominion at the rate of 3s., the relief from the United Kingdom Income Tax will be at the rate of 2s. 6d., that is, one-half of 5s., and the balance of relief, namely, 6d., necessary to eliminate altogether the lesser of the two charges, will, under the terms of the proposal, be afforded by the Dominion in question. . . . I confidently hope the Dominions will adopt the proposal and make relief complete by similar action on their part.

In any case, I propose to put the alteration into operation forthwith. Where the Dominion rate of tax does not exceed one-half of the United Kingdom rate, the relief will, for reasons explained, be complete."

Corporation Profits Tax.

The Chancellor stated as his justification for raising Excess Profits Duty from the existing rate of 40 per cent. to 60 per cent. that prices had risen and the level of profits had still further increased. He went on to describe a new tax he proposed to introduce which, for the time being, would be levied concurrently with the Excess Profits Duty, but might in the future prove a substitute for it. He sent out a mission to Canada and the United States to study the schemes of profits taxation in those countries. But investigation had not served to remove the difficulties which presented themselves on first consideration of the proposal for a taxation of profits in excess of a certain return upon invested capital, and the Government, therefore, proposed to have recourse to a different measure. "I may," said the right hon. gentleman, "describe our proposal as a Corporation Tax levied at the rate of 1s. in the £ on the profits and income of concerns with limited liability, engaged in trade or similar transactions. . . . Where a concern is liable to both taxes, any Excess Profits Duty payable will be treated as a working expense in arriving at the profits for the purpose of the new tax.

"Both Excess Profits Duty and Corporation Tax will be deducted before the assessment of profits for Income Tax, and to prevent the new tax constituting too severe a burden on the ordinary shareholder of existing concerns in which there are large issues of debenture and preference shares, where a considerable proportion of the profit has to be allocated to the payment of interest and fixed dividends thereon, we propose that in no case shall the duty exceed 2s. in the £ on the profits which remain. . . . Companies incorporated with a limited liability enjoy privileges and conveniences by virtue of the law for which they may well be asked to pay some acknowledgment and, more than that, we see partners in a private partnership pay Super-tax not merely on the profits which they divide, but also on the undivided profits which they place to reserve. No such charge falls upon the undivided profits of limited liability companies. The Corporation Tax is justified by this distinction of the existing law in favour of such corporations, and it may be regarded as a composition in lieu of the liability to Super-tax."

The Chancellor said he estimated the yield of the new tax by itself in a full year at £50,000,000. Whilst levied as

an addition to Excess Profits Duty at the rate of 60 per cent. it would produce £35,000,000.

Final Balance Sheet.

Summarising the final balance sheet for 1920-21, Mr. Chamberlain observed that he would be left with approximately £234,000,000 for the redemption of debt this year, or a Sinking Fund equal to 3 per cent. of the total debt. Of this sum, over £70,000,000 would be available for the reduction of the floating debt, after meeting all maturing liabilities without reborrowing, except by the continued sale of Savings Certificates. "As the result of these changes," he concluded, "there is every prospect next year that there will be available for the reduction of debt a sum of £300,000,000, of which one-half at any rate should be free for the floating debt, and with the advent of a 'Normal Year,' when temporary and extraordinary receipts and charges have both terminated, and on the assumption that the Excess Profits Duty has also been brought to an end, there should be available for the Sinking Fund a balance of not less than £180,000,000. . . . After such a war as that in which we have been engaged, and after such gigantic financial sacrifices, this is a position of unexampled and unequalled strength."

Debate followed on the Budget resolutions, and was continued on the two succeeding days. In the course of the discussions,

The Right Hon. H. H. Asquith (Leader of the Independent Liberal Party) said the fact that the United Kingdom contributed towards the cost of the War 36 per cent. in revenue and only 63 per cent. by borrowing was a remarkable proof of the willingness of the people to make great sacrifices for great purposes. Proceeding, he urged that miscellaneous receipts, derived from the realisation of assets which were to a large extent the remainder of the produce of borrowed money, should be ear-marked for the extinction of debt. He was one of the few survivors in the House of Commons of the original authors of the Land Values Duties, and he thought it was a great mistake to wipe them off the Statute Book without putting anything in their place. There was no more fit subject for taxation than the unimproved value of land, and if the Duties were for the moment to be more or less decently interred their epitaph should be, not *Resurrexit*, but *Resurgam*.

Sound Financial Lines.

Referring to the Chancellor's positive proposals, the right hon. gentleman thought he had proceeded in the main

on thoroughly sound financial lines. But the Wine Duty raised delicate and difficult international questions. To give rise, as he was afraid they would, to a certain amount of not illegitimate or unnatural friction and ill-feeling among countries which were close friends and some of which had been closer Allies of their own, appeared to him to be a very doubtful policy. The Corporation Tax was a most valuable addition to their financial armoury, and he heartily congratulated the Chancellor upon it. Mr. Chamberlain had made a very bold and courageous attempt to impose additional taxation on sound lines. But, what did it all come to? A reduction of £70,000,000 in a floating debt of £1,300,000,000. It was expenditure which lay at the root of the whole thing.

Having remarked that the national economic situation needed courageous handling, Mr. Asquith added: "There are two ways of escape and two only—and they are not alternative, but complementary one to the other—from the difficulties in which we find ourselves. One is to curtail the swollen volume of the purchasing power, and the other is to enlarge the volume of purchaseable and marketable commodities. Much must be left, much ought to be left, and much, I hope, will be left to the enterprise and foresight of the business world, but the State should lead the way in the cessation of borrowing, and in the reduction of debt. That involves what this Budget recognises—substantially increased taxation. It involves what we have still to look for and what cannot be obtained without both the co-operation and stimulus of the House of Commons, namely, the drastic reduction of public expenditure."

The Labour View.

The Right Hon. J. R. Clynes (Vice-Chairman of the Parliamentary Labour Party) said the Labour Party did not accept the view that in matters of finance the Governments of the War period did the right thing by the people, or the wise thing by the country. In some years they borrowed as much as 16s. of every £ they had to spend, and it was not too much to say that borrowing had now been stopped generally because the country had refused further to lend. If they had not borrowed so largely and piled up such mountains of debt during the War, the Chancellor of the Exchequer would have had a task of ease compared with the enormous difficulties confronting him to-day. He doubted whether the right hon. gentleman could entertain any hope in regard to any one of his new proposals that it would check the increase of prices. On the contrary, the probability was that it would only intensify further the race between prices and wages—the race

of the worker in his effort to make wages equal the speed at which prices were advancing.

In the main workers collectively had not benefited at all from the advances in wages which they had secured. It was the workers who were still bearing the burden which all were wishful to escape—the burden of hard, irksome, dirty, difficult work. It was the workers who had the worst of houses, who inhabited the slum districts—daily growing worse, because of the housing problem—and who still had to take food of the poorest quality because their purses were not bulky enough to secure the best quality. No greater problem faced the Government than that arising from recurring wage demands. Strikes were caused and the country remained in a state of ferment because of the cost of living, to which in the end they could trace most, if not all, the social and industrial difficulties of the moment. Perhaps the Chancellor would think it proper in the course of the Budget discussions to say something upon the Labour view that an example must be set by the Government as regarded reducing the cost of living by dealing with some of the taxes which now rested upon food.

Tender Treatment of Land.

The Budget was distinguished for its tender treatment of the land-owning classes. "I marvel," said Mr. Clynes, "at the patience of the people of this country, having a land to fight for and work for, and which they can call their own, but which literally belongs to a few people, in suffering the exactions and exploitations imposed upon them by those who own the land. . . . This surely is a form of property to which a sympathetic Chancellor must have turned in order to secure revenue in exchange for the relief which, I suggest, he could have given to a large number of the impoverished part of our population." He was pleased that the Chancellor was returning to the figure of 60 per cent. for Excess Profits Duty. Perhaps, before the subject was completely disposed of, the right hon. gentleman would consider whether he ought not to go back to the figure of a year ago, namely, 80 per cent. On behalf of the Labour Party he again pressed the necessity of considering seriously the imposition of a levy on capital as a remedy for the financial situation. The Labour Party maintained that a capital levy could be afforded without damage to trade or business or industry.

In conclusion, Mr. Clynes said he thought they had reached a stage, or that they ought to have reached it, where never again should over-production be allowed to be the cause of a state of unemployment. It ought not to be beyond the power of the Government collectively to frame

some policy and give such an assurance on the point as would satisfy the working-class mind.

Mr. J. Devlin (*Irish Nationalist, Belfast, Falls*) protested against the fresh imposition made by the Budget on Ireland. No country could be other than disloyal and discontented that got nothing but fresh burdens and a system of government that no honest man could defend.

All the Budget resolutions were adopted in Committee of Ways and Means.

Excess Profits Duty.

On 28th April the resolution relating to Excess Profits Duty was discussed on report.

Mr. George Terrell (*Coalition Unionist, Chippenham*) moved an amendment to strike out the duty from the Budget. It was, he said, purely a War tax, and the time had come when it should be discontinued. The real objection to it was that it was unfair, unjust and oppressive.

The Financial Secretary to the Treasury (**The Right Hon. Stanley Baldwin**) said the Excess Profits Duty was put on at a time when the necessity for money was really vital, and when it was felt throughout the country that it was somewhat unreasonable for people to make more money than they had done in times of peace. Some people spoke as though the moment the War stopped this duty ought also to have stopped. But suppose that the duty actually lasted for a period of ten years, would anyone say—looking back and reflecting that they had been fighting for their lives during more than half that time—that the statesmen of that age had treated the community unjustly because they had made a specific war tax last in such circumstances for a period of ten years?

But it had not run for nearly ten years. The tax, if the amendment were defeated, would be running into its seventh year. During the whole period when they were fighting the average burden was 66 per cent. If the Chancellor of the Exchequer's scheme became law the average burden since fighting ceased would have been 50 per cent. In view of the increasing strain to which some of the small and new businesses had been subjected by the great rise in prices, which made it more difficult to find working capital, and made more working capital necessary, the Chancellor was fully prepared in the Finance Bill to make substantial concessions to the small man and the new man.

A Bad Tax.

The Right Hon. Sir Donald Maclean (*Chairman of the Independent Liberal Party in Parliament*) considered the tax

a bad one and hoped the Government would seize the earliest opportunity of devising a proper substitute for it. The tax destroyed initiative, led to dishonesty and was fruitful of extravagance.

The amendment was negatived without a division.

The Right Hon. Sir F. Banbury (*Coalition Unionist, City of London*) moved to reduce the duty from the proposed rate of 60 per cent. to 40 per cent. The Government, he said, would thereby lose £10,000,000 in the present financial year, but with a surplus of £234,000,000 that was of very little importance.

The Chancellor of the Exchequer, in resisting the amendment, said he was not so wedded to the Excess Profits Duty that he would not gladly accept a better alternative if it could be found.

On a division the amendment was rejected by 287 votes against 75.

The report of the Resolution in respect of the Corporation Profits Tax was agreed to after a brief discussion. The Finance Bill was then brought in and formally read a first time.

FINANCE BILL.

On 11th and 12th May, the Finance Bill, embodying the Budget proposals, was debated on Second Reading in the House of Commons.

DEBATE IN HOUSE OF COMMONS.

Mr. Horatio Bottomley (*Independent, Hackney, S.*) moved the rejection of the measure. The Budget, he said, was inimical to the best interests of British trade ; it was inimical to our good relations with France ; it was a menace to capital ; and in some respects it involved a very serious breach of Ministerial good faith. Over and above all these objections, the Budget proceeded fundamentally upon the wrong principle. It assumed that the duty of the Chancellor of the Exchequer consisted solely of coming to the House and asking for such money as the spending departments had told him they required. Instead of asking for £1,400,000,000 the Chancellor should have called together the heads of all the spending departments and should have said, " I am going to give you £1,000,000,000 amongst you for the current financial year,

and you will have to cut your coats according to the cloth." A small business committee going round the departments could then have succeeded in reducing the amount to that figure.

Colonel Claude Lowther (Coalition Unionist, *Lonsdale*), seconded the amendment.

The Chancellor of the Exchequer (the Right Hon. Austen Chamberlain), speaking on the subject of economy, said that while expenditure from revenue on the Debt had gone up this year, as compared with last year, from £332,000,000 to £579,000,000 owing almost entirely to the efforts they were making to reduce debt, the expenditure from revenue on Supply Services had fallen by £488,000,000. Moreover, the expenditure last year was not the gross sum voted, but the net sum required after the appropriations-in-aid of large receipts which did not come out of taxation. Add those, and they then found that the expenditure on Supply Services was lower, not by £488,000,000, but by £822,000,000. Ministers would do their best to hunt out whatever remained of waste or extravagance, and to put it down.

The amendment was withdrawn and the Second Reading of the Bill was agreed to without a division. The Committee stage was commenced on 5th July and will be dealt with in the next number of the JOURNAL.

INDEMNITY BILL.

Formal introduction was made in the House of Commons by the Solicitor-General on 15th April of the Indemnity Bill. The measure has a two-fold object :—

(1) The indemnification against the consequences of acts done in good faith, but in excess of authority or without jurisdiction, in carrying out duties in connection with the prosecution of the War.

(2) The validation of certain laws, ordinances and proclamations, and of sentences of military and other courts.

An explanation of the provisions of the Bill is given in a Memorandum :—

Clause 1 protects officers and officials against the institution of proceedings against them where they have acted *bona fide* in the interest of the country.

Irregularities have in some cases, owing to the stress of War, occurred in the constitution of courts-martial. The Bill, while protecting the

officers in such cases, does not prevent the findings and sentences of the courts-martial being quashed if the irregularity was such as to make the proceedings legally voidable. Protection given by the clause extends to persons in the service of the Red Cross and similar Societies acting under the authority of the military.

There are a number of exceptions to the generality of the clause. One of these is that the Bill does not affect remedies for breaches of contractual obligations, but a limit of one year within which the proceedings must be commenced is imposed. The effect of the clause, says the Memorandum, is to take away any remedy by petition of right or other legal process in a court of law, whether pending or not yet commenced, in cases where property has been requisitioned or businesses interfered with. It is therefore necessary to provide some substitute.

ASSESSMENT OF COMPENSATION.

During the five years which have elapsed since it was set up (the Memorandum proceeds) the Losses Commission has adjudicated in a vast number of cases on a basis of payment for direct and substantial loss, and under Regulation 2B and other regulations on the basis of cost plus reasonable profit. In shipping cases the Admiralty Arbitration Transport Board has settled claims for freight on the basis of the "Blue Book rates" to an amount of £331,000,000, and has refused to entertain claims for indirect or consequential loss.

These bases of assessment have been generally accepted. A number of actions, however, have been instituted challenging their validity, and a further number of claims are awaiting the issue of events. It is essential that doubts which conflicting decisions of the Courts (*e.g.*, the Newcastle Breweries case *v. Rex*, before Mr. Justice Salter, and the Hudson Bay Company *v. Maclay*, before Mr. Justice Greer) have created should be settled one way or the other by legislation.

If the bases of assessment of compensation hitherto applied were rejected, and the cases dealt with without reference to the regulations which were issued in order to restrict excessive profits entirely due to the abnormal conditions caused by the state of war, which created artificial market prices, it is estimated that the additional cost to the Exchequer would be not less than £700,000,000. Of this amount more than £300,000,000, it might even be £400,000,000, would be payable in respect of British shipping, nearly the whole of which came under requisition and control.

Clause 2, therefore, confirms the basis of assessment hitherto applied, but gives expressly a legal right to compensation. Proceedings in Prize Courts are exempted from the operations of the Bill by Clause 3.

Clause 4 validates Proclamations and Orders in Council issued during the period of the war under the Customs Consolidation Act, 1876, prohibiting or restricting the importation of goods into the United Kingdom, and also licences granted in pursuance of any such Proclamations or Orders. Clause 5 validates sentences by military and special courts set up in occupied territories, and Clause 6 validates laws, Ordinances and Proclamations in such territories.

Clause 7 extends the provisions of the Bill to the whole of His Majesty's Dominions, except the self-governing Dominions, who will pass their own legislation, subject to such modifications by Order in Council as may be necessary to adapt it to the special circumstances of India and the Colonies.

DEBATE IN HOUSE OF COMMONS.

There was a full debate on the Bill in the House of Commons on 3rd May, when

The Solicitor-General (the Right Hon. Sir Ernest Pollock) moved the Second Reading. An Indemnity Bill, he remarked, was not uncommon after a war, but the late War had been waged in so many parts of the world and had covered so wide an area that it was necessary to include matters in it which would not have been necessary in the case of other wars. Where new territory was taken over by the Dominions, or a mandate had been granted to the Dominions, it would be perfectly possible for the Dominions by an Act of their Legislatures to validate acts which had been done by persons who were subject to their jurisdiction and control. Care was taken not to interfere at all with the powers of self-governing Dominions, and there was no intention by an Imperial Act even of appearing to invade the legislative territory which rightly belonged to them. At the same time, inasmuch as there must be a period during which acts must have been done by Imperial officers, or persons acting not with the authority of the Governments of the self-governing Dominions, it was necessary to fill up that *lacuna* by validating the acts that had been done.

The first clause was designedly drawn in wide terms in order that all cases *primâ facie* might be covered, but it did not prevent the institution or prosecution of proceedings on behalf of His Majesty or any Government Department. Sir Ernest expounded at considerable length the provisions of the Bill and stated that the figure of £700,000,000 mentioned in the Memorandum as the increased amount the Government would have to pay in the absence of such legislation was not too large. Indeed, he could give figures which came approximately to £850,000,000. Indirect loss of all sorts had also occurred and to the amount of the claim for direct loss they would have to add the measure of indirect loss which would undoubtedly be brought forward in a court of law. He asked the House to agree to the Bill because of the necessities of the case.

Rejection Motion.

Mr. Leslie Scott (Coalition Unionist, *Liverpool, Exchange*), in moving the rejection of the Bill, said the points of criticism against it were serious. The essential provisions in Clause 1 was not merely that actions against individuals were prevented, but also actions against the Government, The Bill

meant that the Government considered that, without it, they would, in order to meet what the community in general regarded as a fair measure of compensation, have to pay a sum of £850,000,000. His opinion was that the estimate was ridiculously inflated and largely groundless. The real big purpose of the Bill, which in his view was wrong, was to make the Government wholly immune for what it had done in the past, only giving the subject the very limited measure of compensation which appeared in Clause 2 under the Defence of the Realm Losses Commission, the difference between the two being, on the Government's own showing, the figure of £700,000,000. The other great objection was that access to the Courts was denied to those who had suffered losses. Those who had their property taken during the War, either for use or permanent acquisition, were told to go to a tribunal which was not the Court of the King's Justices.

"I submit," said the hon. and learned member, "that one cardinal rule of legislation in this country ought to be to preserve the right of access of the King's subjects to the King's Court, and that on very large questions of this type to send His Majesty's subjects to arbitration or commissions, or odds and ends of that kind, without the full right to insist upon their legal rights, when they consider themselves aggrieved, of access to the King's Courts, is a bad system of legislation." There never had been in the history of the country, he added, a Bill giving the Government a general indemnity from the payment of claims, or meeting its obligations, on such lines.

Sir William Raeburn (*Coalition Unionist, Dumbartonshire*) seconded the amendment. He contended, not that the question of Blue Book rates should be opened up by the Courts, but that in other cases where there were special circumstances shipowners should have full liberty to apply to the Courts for decisions.

A Bogey.

The Right Hon. Sir Edward Carson (*Leader of the Ulster Unionist Party*) said the £700,000,000 was a bogey. To sweep away wholesale the right of every subject, as regarded either his property or his business, in the interests of the State, and say he was to have no legal remedy was a proposal not to be found in any section yet placed in an Act of Parliament. "I hope the Government will not go on with this Bill, and I would most earnestly ask them to appoint a Committee to investigate this matter," Sir Edward added.

The Right Hon. J. H. Thomas (*Labour, Derby*) said it was generally assumed that so far as the Labour Members in that

House were concerned, they were indifferent to the rights of people when property was concerned. Nothing was more fallacious than that, but it was impossible not to realise that there were some serious flaws in the Bill. He and his friends believed that a real Indemnity Bill should include an amnesty for men serving terms of imprisonment for crimes committed during the stress of the War.

The Attorney-General (the Right Hon. Sir Gordon Hewart) intimated that the Government were prepared to make concessions to meet the most substantial objections which had been taken to the Bill.

The Right Hon. Lord Hugh Cecil (Coalition Unionist, Oxford University) suggested that after the Second Reading the Bill should be sent either to a Select Committee of the House of Commons or to a Joint Committee of the two Houses.

The Leader of the House (the Right Hon. A. Bonar Law) agreed on behalf of the Government to refer the measure to a Select Committee.

On a division the amendment to reject the Bill was defeated by 210 votes against 28. The Bill was then read a second time and committed to a Select Committee.*

GOVERNMENT OF IRELAND BILL.

The Government of Ireland Bill† was considered in Committee of the whole House of Commons on nine days between the date of the reassembly of the House after Easter and 1st July.

* A Report of the Select Committee was published on the 6th July. In it they stated that having heard witnesses from the Defence of the Realm Losses Commission, the Admiralty Transport Arbitration Board, and others, they had come to the conclusion that it would be impracticable and undesirable to reopen past, decided, and agreed cases extending over the last five years. Further, they felt that it would be unfair to those who had already settled their claims to allow a new and more generous basis of compensation to be set up in the future for those whose claims had not yet been settled. In the Committee's opinion, therefore, the provisions of the Bill with regard to the continuation of these two tribunals (legally strengthened as was proposed by amendments to the Bill) were right, and in the future these tribunals should act on the same principles of compensation as heretofore, save in the cases covered by the amendments, until the remaining cases were exhausted. In future, however, as provided by the Bill, claimants should be legally entitled to payment or compensation for loss or damage respectively, and not merely receive the compensation on an *ex-gratia* basis, and an appeal should be given on points of law to the Court of Appeal and not by way of a special case.

† An epitome of the provisions of the Bill and of the Second Reading debate will be found in the JOURNAL, Vol. I., No. 2, page 244.

On Clause 1, which provides for the establishment of Parliaments for Southern Ireland and Northern Ireland, and a Council of Ireland,

The Right Hon. H. H. Asquith (Leader of the Independent Liberal Party) moved an amendment with the object of providing that there should be a single Parliament for the whole of Ireland. The principle embodied in the Home Rule Act now upon the Statute Book was, he said, that Ireland should be treated for the purpose of self-government as an entity with a single Parliament and a single Executive, subject to the provision of all safeguards, temporary or permanent, that were necessary for the protection of the dissentient minorities. The amendment proposed what Home Rulers had always proposed for 35 years, since the time of Mr. Parnell, Mr. Gladstone and their successors, to the present day. At the same time, so far as Ulster was concerned, it gave in a thoroughly democratic form what was compendiously and conveniently described as county option. It gave to the separate counties, if they were so minded, an opportunity of withdrawing themselves, for the time being at any rate, from the jurisdiction of the Irish Parliament and remaining, as they had hitherto been, and as they had always said they intended to remain, represented and governed by the Imperial Parliament. Until the present Bill was brought in that had always been the attitude of both parties, and the proposal in the Clause came before them without the faintest warrant of Irish authority of any sort or kind. The proposal he was putting forward was one that had been approved in both its forms, though with a difference as to details, by both sections of Irish opinion.

The Right Hon. Sir E. Carson (Leader of the Ulster Unionist Party) : “ May I correct the right hon. gentleman ? He may remember that we always protested against the limitation of six years. I remember stating that it was a sentence of death with a stay of execution.”

Mr. Asquith : “ My right hon. friend knows perfectly well that his case always was not a separate Parliament for Ulster, but the retention of Ulster under the authority of the Imperial Parliament. The extent in point of area and the duration in point of time were matters for argument.”

Living in the Past.

The Leader of the House (the Right Hon. A. Bonar Law) said it was almost pathetic to find how completely Mr. Asquith was living in the past, and how little he realised all that had happened in Ireland in the last six years, for much of which the right hon. gentleman was himself responsible. It was quite

true that the Government's proposal did not receive the support of any Irish members on Second Reading, but, if by any chance the House were to consider Mr. Asquith's proposal, Irish members would not abstain, but would vote against it. If the Bill was carried and it was found that one part of Ireland could work it successfully and could set an example to the rest of Ireland, that was one of the best hopes of getting a final settlement carried out in Ireland. What this country really wanted was to give to Ireland the largest measure of self-government which could be given compatibly with the Government's pledges and with national safety. The Government believed that in this Bill they had done that.

Sir E. Carson said that although he loathed and detested the break-up of the Parliament of the United Kingdom, still, in the interests of an attempted peace, if it were enacted that they were to have a Parliament in Ulster, he pledged himself that they would do their best to work it.

On a division the amendment was rejected by 259 votes against 55.

Need for a Second Chamber.

Lieut.-Colonel the Hon. Walter Guinness (*Coalition Unionist, Bury St. Edmunds*) moved an amendment to provide that there should be a single Senate acting as a Second Chamber for both the Northern and Southern Parliaments. In addition to its work as a revising body, he said, it was proposed that the Senate should be given the powers transferred by the Bill to the Irish Council as to railways and other matters which from time to time the Northern and Southern Parliaments might think fit to transfer to the central body. In the Bill it was proposed that the Irish Council should, in effect, be merely a standing Joint Committee of the two Houses of Commons, and it would be an impossible body as a revising Chamber, because it would merely reflect the views of those bodies over whose legislation it was to exercise a revising power. People in the South of Ireland were asking, especially in view of the grave situation to-day, why the Government withheld from Ireland a Second Chamber, which had been accepted as a safeguard in the vast majority of civilised constitutions.

The Hon. W. Ormsby-Gore (*Coalition Unionist, Stafford*) said that if any progress or any hope was to come out of a Home Rule scheme of any kind, it was essential that in the new constitutional system of Ireland there should be a Chamber or Chambers where moderate men could make their views heard and their weight felt. A naked single Chamber system in the North and South of Ireland would simply perpetuate the existing sectarian and racial differences.

The President of the Board of Education (the Right Hon. H. A. L. Fisher) pointed out that one of the most powerful reasons that led the Government to adopt the single Chamber system both in Northern and in Southern Ireland was the desire to promote unity. Under the scheme of the Bill functions were devolved from the Parliaments on to the Council of Ireland by the machinery of identical Acts, and it seemed to the Government that it would be much better to obtain identical Acts from two Chambers than from four Chambers, and that if they gave Ireland a four Chamber system they would be multiplying obstacles in the way of union.

“The Bill is grounded,” said the right hon. gentleman, “upon the principle that, while we can ask Ireland to govern herself, we cannot ask the two opposing factions in Ireland to unite against their will, and accordingly we establish two bodies, one in the North and one in the South armed with legislative and administrative functions, and . . . with constituent functions as well. We are often asked why we do not summon a constituent assembly in Ireland. We are, in fact, setting up two panels of a constituent assembly, one in the North and one in the South, with perfectly free power to unite in any shape or form in which it may seem to them union would be most practical and most efficient. It is possible under the scheme of this Bill that these two Parliaments will only hold a single session. They might, so far as the terms of the Bill go, before they actually come into being, by identical Acts create a single Parliament for Ireland. But if we were to give to these two Parliaments a Senate largely nominated, and a Senate which contained a majority from Southern Ireland, we impinge upon the freedom of the Northern Parliament and we create obstacles to the union which we all desire to see achieved.”

The solution of the Irish question could not, he thought, be obtained at one stage or two stages or three stages. A Greek philosopher had told them that “Nothing great can be done without time.” He believed that the circuitous route adopted in the Bill was the path of statesmanship and that the Government would be justified by success.

On a division the amendment was rejected by 209 votes against 39.

Two Senates.

Lieut.-Colonel Sir Samuel Hoare (Coalition Unionist, *Chelsea*) proposed an amendment to create a Senate for each of the two Irish Parliaments.

The First Lord of the Admiralty (The Right Hon. Walter Long) said the Government had tried to make it clear that in

drawing up this scheme they had been governed absolutely by a desire to make it ultimately part of a federal plan, and in a federal system the best security for a minority was really to be found in the Central Parliament. If they interposed a Second Chamber, they made it more difficult for the Central Parliament to interfere in the interests of the minority. "I pointed out, however, the other day," Mr. Long proceeded, that while we had quite honestly come to that conclusion . . . we felt then, as we feel now, that those who have to live under these new conditions are entitled to ask that their views shall be considered before ours. . . . What the Government propose to do now is definitely to accept the principle of the Second Chamber for the Parliaments both in Southern and in Northern Ireland." The Government undertook, Mr. Long added, between then and the Report stage of the Bill to place on the Order Paper a definite scheme for the constitution of the two Second Chambers.

Sir E. Carson said that even if he did not think the amendment was a necessary one in the North of Ireland, he was certainly in entire sympathy with the Government in making every possible concession to safeguard the right of minorities in the South.

After further discussion Mr. Long promised that the Government would at the proper time recommit the Bill in respect of the Clause setting up the Second Chambers.

The amendment was, thereafter, withdrawn.

Labour's Decision.

On the question that Clause 1 should stand part of the Bill,

The Right Hon. J. R. Clynes (Vice-Chairman of the Parliamentary Labour Party) said the Labour Party had decided to vote upon this Clause and then to take no further part in the progress of the Bill. That decision was reached because they were convinced of the utter hopelessness and futility of seeking a solution of the Irish difficulty on the lines of the Government's proposal.

The First Lord of the Admiralty said he heard the announcement made by Mr. Clynes with profound regret. He confessed that he became rather tired of those who thought they were serving their country by always prophesying ill of all that was being done by those who were trying to bring forward a practical proposal.

On a division the Clause was adopted.

Subsequent Clauses, and in particular that relating to the legislative powers of the Irish Parliaments, were discussed

at considerable length, but were added to the Bill without substantial amendment.

Clause 9, dealing with Reserved Matters, provided that the management and control of the Royal Irish Constabulary and the Dublin Metropolitan Police should be reserved for a period of not more than three years.

Mr. Gershom Stewart (*Coalition Unionist, Cheshire, Wirral*) moved an amendment to ensure that control of the police should not be handed over to the Irish Parliaments before the expiration of three years.

The First Lord of the Admiralty said that if the only use made of the Bill was to endeavour to establish a Republic or a Government which was unworthy of the name of Government, and which used its power merely for tyranny, then the Bill would be suspended and would not come into operation, and the Imperial Parliament would be compelled to take such action as might be necessary to restore order in Ireland. But, in the extraordinary position in which they found themselves, they must assume that the Bill, if it were reasonably framed, would be reasonably and fairly used. The Imperial Government were profoundly anxious, while recognising the need of equipping the Irish Governments with the power of maintaining order, to do justice to and safeguard in every possible way the Royal Irish Constabulary. He thought the best course would be to accept the amendment, and to alter the proviso to the Clause so that the transfer could be made earlier either if Irish union occurred or if identical Acts were passed by the two Parliaments before the end of three years. In that way they would prevent the possibility, which had aroused so much anxiety, of the police having to be transferred, even if it might obviously be undesirable, and at the same time they would provide the machinery which would enable them to pass if both Parliaments were agreed.

The amendment was agreed to.

Financial Resolution.

On the eighth day in Committee a Financial Resolution was moved by the Financial Secretary to the Treasury authorising expenditure under the Bill in respect of all the Clauses except 18 to 34 inclusive.

The Right Hon. Sir Laming Worthington-Evans (*Minister without Portfolio*) explained that the Resolution merely enabled the Reserve Services to be paid for by the Imperial Parliament and, in turn, for the amount to be deducted from the funds which would subsequently go to the Irish Parliaments. The

Government would ask the Committee to postpone the Financial Clauses of the Bill and they would subsequently bring in another Financial Resolution to support those Clauses.

The Resolution was agreed to.

Lieut.-Colonel the Hon. W. Guinness moved an amendment to Clause 17 (Representation of Ireland in the House of Commons of the United Kingdom) with the object of providing that the number of members to be returned by constituencies in Ireland to serve in the Imperial Parliament should be 46, instead of 42, as provided in the Bill. The desire was, he said, to ensure that the representation of the Irish Universities in that House should be continued.

The First Lord of the Admiralty accepted the amendment, and it was agreed to.

Clauses 18 to 34 were postponed and the Committee went on to discuss later Clauses. The ninth and, for the present, the last day on which the House sat in Committee on the Bill was 28th June, when the consideration of Clause 70 was completed.

GOVERNMENT OF SCOTLAND BILL.

A private member's Bill "to provide for the better Government of Scotland" was introduced in the House of Commons by Mr. Joseph Johnstone supported by five other members.

The Bill provided for the establishment in Scotland of a single-chamber Parliament, subordinate to the Imperial Parliament, and consisting of 148 members representing the existing constituencies, and returned by the parliamentary electors, with the addition of peers.

Representation of Scotland in the Commons House of the Parliament of the United Kingdom was to be continued as at present until separate provision is made for devolution in England and Wales, when the representation of the component parts of Great Britain in the Parliament of the United Kingdom would fall to be reconsidered and readjusted.

The powers of the Scots Parliament were to include all those conferred on the Irish Parliament in the Government of Ireland Act, 1914, except the control of the Post Office and the power to vary Customs and Excise, but with the addition of the administration of Old Age Pensions, National Insurance, and Labour Exchanges.

It was proposed that the executive power would continue vested in His Majesty the King, who would be represented in Scotland by a Lord High Commissioner. The administration would be carried on by the Lord High Commissioner advised by an Executive Committee of a Scottish Privy Council.

DEBATE IN HOUSE OF COMMONS.

The Second Reading debate on the Bill took place in the House of Commons on 16th April.

Mr. J. Johnstone (*Coalition Liberal, Renfrew, E.*) said that while the agitation for Home Rule in Scotland had not been loud or violent, or associated with any great outcry and clamour, the question had been before the Scottish people for many years and had become the test question at every by-election. Owing to the great pressure of work in the House of Commons there was neglect of Scottish business and the members for Scotland had no proper control over Scottish affairs. There were wild forces outside that had an utter contempt for Parliamentary institutions, which were, however, one of the great bulwarks against revolution. The House should guard against allowing Parliament to fall into disrepute through not conforming to the spirit of the age by adapting itself to new conditions.

The Right Hon. Sir Donald Maclean (*Chairman of the Independent Liberal Party in Parliament*) observed that there was no answer to the charge that the House of Commons was unable to cope in any adequate sense with the immense burden of legislative and administrative business on its shoulders. To the extent that they could meet that by a proper scheme of devolution they were not only meeting a demand in justice from the particular part of the United Kingdom to which the measure applied, but were dealing with a much wider evil and rendering a great service to the establishment of Parliamentary authority.

The Right Hon. Sir Henry Craik (*Coalition Unionist, Scottish Universities*) argued that under the Treaty of Union the advancement of Scotland had been unparalleled and that in view of the fact that Mr. Speaker's Conference on Federal Devolution was still sitting the Bill was marvellously ill-timed.

An Inopportune Bill.

Mr. J. Kidd (*Coalition Unionist, Linlithgow*) moved the following amendment :—

“That this House declines to proceed with the Bill, as inopportune, in respect of the fact that Mr. Speaker's Conference on Devolution has not yet reported.”

Sir George Younger (*Coalition Unionist, Ayr Burghs*) seconded the amendment.

The Secretary for Scotland (*the Right Hon. R. Munro*) explained that the Government were prepared to give the House an opportunity of reaching a free and independent decision

upon the matter. In recent times the movement in favour of the principle of Scottish Home Rule had grown strongly in the country and in that House. There were two reasons to justify the claim for Scottish Home Rule :—

- (1) It was in the interests of the Imperial Parliament.
- (2) It was desirable in the interests of Scotland.

So far as the principle was concerned the arguments in favour of Scottish Home Rule far outweighed any that could be adduced against it, but it was unthinkable that a constitutional change of such magnitude could be appropriately effected in a private member's Bill.

The closure was moved and was carried by 65 votes against 52, but as less than one hundred members voted in the majority, the motion, under the Standing Orders, was of no effect. The debate accordingly stood adjourned and no further progress has since been made with the Bill.

MATRIMONIAL CAUSES BILL.

The Matrimonial Causes Bill,* introduced by Lord Buckmaster, occupied the further attention of the House of Lords at five sittings.

The Committee Stage was commenced on 20th April. It was continued on 27th April and 4th May, and concluded on 11th May.

Earl Russell moved on Clause 1 to add to the matrimonial causes in which the High Court should have jurisdiction proceedings for jactitation of marriage, and the amendment was agreed to.

The Lord Chancellor (Lord Birkenhead) proposed a series of amendments relating, with one exception, to the machinery of the Bill, which were agreed to.

The principal changes effected by these amendments were :

The deletion of the provisions providing for local sittings of the High Court for the purpose of dealing with matrimonial causes where the joint annual income of the husband and wife did not exceed £300 in value.

* The Bill is based on the recommendations contained in the Majority Report of the Royal Commission on Divorce and Matrimonial Causes. A summary of its provisions and of the proceedings in the House of Lords on the Second Reading of the measure will be found in the JOURNAL, Vol. I., No. 2, page 299.

The omission of the clause authorising the appointment by the Lord Chancellor of not more than ten County Court Judges, or other persons qualified to be Commissioners of Assize, to exercise at such sittings the functions of a Judge of the High Court.

The insertion of a provision enabling matrimonial causes to be tried at the Assizes instead of, as originally proposed, at local sittings of the High Court.

Colonial and Foreign Decrees.

Clause 6, relating to jurisdiction in the case of Colonial and Foreign decrees, made provision as follows :—

Where a British subject domiciled in England or Wales is resident in any British possession, and has obtained from a court of competent jurisdiction in that possession a decree or order of divorce, permanent judicial separation, or nullity of marriage, he may apply to the High Court to register that decree or order. Where a woman who is a British subject domiciled in England or Wales marries a foreign subject, and the marriage is subsequently declared invalid by a court of competent jurisdiction in the foreign country of which the husband is a subject, the High Court may grant a decree nisi of nullity of marriage notwithstanding that the marriage was valid according to the law of the place of its celebration.

The Earl of Selborne asked whether in such cases the records of the Courts in the Dominions would be before the High Court in this country ; also whether the Courts which tried these questions in all the Dominions were of equal *status* with the High Court.

Lord Buckmaster pointed out that the Court would register the decree only if satisfied that it was made upon grounds which under the Bill constituted grounds for divorce, and would require the production of records. He was not aware of any Dominion or British Possession where any Court exercised divorce jurisdiction that was of a lesser standing in relation to that Dominion than the High Court in this country.

Viscount Haldane observed that according to the law of Great Britain persons were not entitled to enter Dominions of the Crown merely because they were resident there ; and yet a decree of divorce would follow the principle on which the Court proceeded—recognising only the Court of domicile. Apparently the clause made a considerable departure in the principles which at present obtained.

Viscount Finlay agreed the principle was fully established that the Court to grant the divorce was the Court of domicile, and this was an alteration which might have very serious effects.

Lord Buckmaster said the Clause only provided that in cases where divorce could be obtained associated with residence, as apart from domicile, and the parties were in fact domiciled

in this country, they might be at liberty to obtain the registration of the order in the High Court here. It conferred no jurisdiction whatever upon any Court to grant decrees of divorce associated with residence.

After further discussion the Clause was omitted.

Desertion and Divorce.

Lord Parmoor moved to omit desertion for a period of at least three years from the grounds for divorce laid down in the Bill. He could not see where they were to draw the line between divorce by desertion and divorce by consent because all the suggested safeguards* in the Bill could be overcome by collusive consent between the parties. Lord Desart, who for 14½ years was Public Prosecutor, and as such was the King's Proctor for interfering in divorce cases, had said :—

“ It seems to me that divorce by desertion would lead many better-to-do people to divorce by mutual consent.”

On that question he was bound to agree with what was said by Lord Desart.

Viscount Finlay desired that they should adopt simply the Scottish law, which was that where there was obstinate desertion by one of the parties to the marriage for a period of four years, that was a ground on which the party not in fault could obtain divorce. It was not divorce by consent or anything like it.

The Bishop of Norwich believed that much of the outside support for the Bill came from those who looked to this particular provision for facilitating divorce in a wider degree than Lord Buckmaster did himself.

The Archbishop of York said the evidence before the Royal Commission showed that in the cities of Scotland, where the remedy of divorce for desertion was open, separation and desertion existed to an appalling extent. In Glasgow in one year, he understood, 875 wives applied for help. But very few of these women applied for divorce or leave to remarry. He asked their Lordships to dismiss from their minds the conviction that there were thousands or tens of thousands suffering bitterly because this relief had so far been denied to them. In Scotland this law had been in force undisturbed for 350 years, but in England it was being introduced at a time when, perhaps more than in any other generation, it was

* The Interpretation Clause of the Bill states : The expression “ desertion ” means desertion without the consent or against the will of the other party to the marriage, and without reasonable cause, and wilful refusal to permit marital intercourse shall be treated as equivalent to desertion.

known that there had been a widespread recklessness of marriage. There was a real danger that addition to the causes of divorce might disturb the strength of marriage in England more than had been the case in Scotland, and very considerable risk that the tradition in Scotland, which had excluded the possibility of connivance, might not be followed in England.

Lord Buckmaster said that collusion with regard to adultery could by no possibility whatever be checked, but collusion with regard to desertion could be checked at once. If people desired to obtain divorce by collusion after the Bill was passed they would not need to collude upon desertion; they would get the swifter, the simpler, the more unanswerable remedy of collusive adultery.

On a division the amendment to omit the paragraph relating to desertion was negatived by 85 votes against 39.

Amendments were moved to omit as grounds of divorce cruelty, insanity and habitual drunkenness. These were rejected.

Permanent Separation or Divorce.

On Clause 10, dealing with permanent judicial separation,

Lord Phillimore moved to omit the following paragraph :—

(B) If the defendant claims that instead of a decree of permanent judicial separation a decree of divorce should be granted, the Court may refuse to grant a decree of permanent judicial separation and may, if satisfied as aforesaid,* grant a decree of divorce.

The noble Lord said the object of the provision was that if an injured spouse came for relief and was content with a judicial separation, the wrongdoer—the injuring spouse—should be entitled to say, “No, you shall not have a judicial separation; you shall either have nothing or you shall have a divorce which will set me free.”

The Archbishop of York said there was a very large number of persons who required protection for one reason or another from a guilty spouse, but who did not desire to apply for divorce or to be regarded for the rest of their lives as divorced persons. It was only reasonable that consideration should be paid to those conscientious objections and that they should not deprive a large number of people, who might need some protection, of the only remedy which they could conscientiously ask from the Courts.

* If satisfied that any grounds of divorce are available to the defendant.

Lord Buckmaster said many noble Lords felt, as he did, that when a marriage had become a complete wreck the best thing that could happen to both parties was that they should have another chance in the world and that they should be able to build up another home. In many cases judicial separation was asked for and insisted upon simply for the very purpose of preventing the person who had done wrong from ever being able to do right. This provision was to enable a person to say to the Court, "There is no difference between a judicial separation and a divorce; we shall never come together again; I ask you in your mercy to dissolve the bond."

Viscount Cave thought it ought to be made quite clear in the Bill that the Court would have discretion in the matter. Also, could it be made clear that when the judge had made up his mind to accede to the claim, as it was called, of the guilty party and grant a divorce, the plaintiff should know of it and have a chance of saying, "I prefer no remedy at all"?

Lord Buckmaster: "I am prepared to accede to both proposals."

On a division the amendment to omit the paragraph was negatived by 52 votes against 45.

Clause 22 empowers a Court of Summary Jurisdiction to make a temporary separation order on the ground that the defendant (a) has since the marriage treated the applicant with cruelty, or (b) is an habitual drunkard.

Lord Gorell moved to insert a third cause, namely, that the defendant "is suffering from venereal disease in a communicable form."

Lord Buckmaster accepted the amendment, and it was agreed to.

Hearing of Cases "In Camera."

Clause 32, as originally drafted, provided that the Court of Appeal or a Judge of the High Court might direct that any proceedings under the Bill should be heard *in camera*, or that the whole or any portion of the proceedings should be withdrawn from publication.

Lord Askwith thought it was undesirable that in a Bill for divorce they should deal with such a constitutional question as the suppression of publicity or interfere with the discretion of the Press. He had drafted amendments which would give power to a Court of Summary Jurisdiction, as well as to High Courts, to turn out on certain occasions persons who might be in the Court for a prurient reason, or persons who might have come to gloat over the sufferings of others, but would allow the Press to remain and so ensure that publicity which was so important to the administration of justice.

The Earl of Reading agreed entirely that it was undesirable they should have trials *in camera*. It was a safeguard to the public, to the Judges, and generally to the administration of justice to have trials in public. If a Judge who was trying a case came to the conclusion that justice could not be done because of the public being present he had now, under the law as it stood, the right to try that case in private. Generally speaking, Courts had always set themselves against hearing trials *in camera*.

Viscount Burnham said the publishers of the country, for whom he spoke, took the strongest objection to the clause as it was drafted. The newspaper Press wished to be left where they were under the general law of the land—amenable to the Courts if they published what was indecent and obscene, and not specially fettered in that matter. If they put an end to the right of publication they relieved the man who was guilty of some bestial and cruel act of the real penalty which he mostly feared—that of being shown up when he went in the streets or market places. He was told by solicitors who had most to do with these cases that if reconciliation took place between the parties it was in most cases due to the fear of publicity—what was called washing dirty linen in public. There were high authorities who had laid down that publicity was of the essence of the whole matter. Bentham said :—

“Publicity is the very soul of justice. It is the keenest spur to exertion and the surest of all guards against improbity. It keeps the Judge himself while trying under trial.”

After further discussion various amendments were made in the Clause, which, as finally approved, read as follows :—

(1) The Court of Appeal or a Judge of the High Court or a Court of summary jurisdiction may, if in their or his opinion the interests of decency or justice so require, direct that at any proceedings heard before them or him no person other than the members and officers of the Court, and the parties to the case, their solicitors and counsel, and other persons directly concerned in the case shall, except by leave of Court, be allowed to attend :

Provided that nothing in this subsection shall authorise the exclusion of bona fide representatives of a newspaper or news agency.

(2) Where a Court or Judge makes any direction under this section, the reasons for the direction shall be distinctly stated at the time that the direction is made.

Remarriage of Divorcees.

The Archbishop of Canterbury moved to insert the following new Clause :—

“The marriage of a person whose previous marriage has been dissolved under the provisions of this Act, and whose former husband

or wife is still living, shall not be solemnised in any church or chapel of the Church of England."

"How do the new conditions concern our responsibility as clergy of the National Church?" asked the Primate. "To that," he proceeded, "there can be for nearly all of us, or, perhaps, for all of us, but one answer. Some of the new enactments can by no stretch of language be brought within our Lord's own words. . . . The words on which we rely are these:—

"But I say unto you that whosoever shall put away his wife save for the cause of fornication causes her to commit adultery, and whosoever shall marry her that is divorced committeth adultery."

"Those who accept the theory of divorce which this Bill, so far as now agreed to, embodies, must disregard those words. They either repudiate their allegiance to that standard, or they interpret the words not as a direction or as a rule, but merely as asserting a general principle. . . . Our Lord's words have always been regarded as the basis for the permanent sanctity of the marriage vow, and we have rested thereon; and in the West, at least, the Church of Christ has enacted its law from the very first. . . . As regards the re-marriage of the innocent party—the other being absolutely and totally forbidden by us, so far as we can forbid it—we have steadily, during many years now, discouraged it. We have given no licences (licences being a facility for it) and we have always advised resort to the civil authority."

If the Bill became law, the Primate continued, the State would allow divorce for causes which the whole Church of the West had quite invariably repudiated. Would it be said now that because the State had made that change the Church must change its law and make it permissible for a priest to marry such persons in the teeth of the words he had quoted? The demand was, to his mind, so unreasonable and so unfair that he did not believe it would be pressed upon them, considering what the consequences might be. "People are perfectly free," remarked the Primate, "to go to the authority which the State has provided for their marriage. . . . We are not trying to impose Christian rules by Church authority on the State. What we want, and what we firmly claim, is that we may as a body be allowed to be loyal to Christ's teaching as we understand it. . . . We claim the right to say that if people demand this sort of marriage they must seek the solemnisation of it outside the Church."

Practice of the Church.

Lord Buckmaster said the amendment asked the House to introduce into the Bill something far ahead in practice of

what had been generally recognised up to the present time. From the time when Henry VIII. was divorced until now people had been divorced and remarried in church, and except in very rare cases it had not been the practice for the Church to refuse their churches as a place where the marriage might take place of an innocent person, woman or man. He was prepared to agree to an amendment to provide that the remarriage of a guilty person could not take place in a church, but the Primate's proposal was far ahead of anything that had been practised by the Church of England since the days of the Reformation.

The Lord Chancellor thought the Church would be taking a deep responsibility if it were to ask their Lordships to forbid a priest, who found himself able in his conscience to do so, to do that which their Lordships had pronounced in their consciences to be right and therefore had made the law of the land. "If," said Lord Birkenhead, "the deliberate views of the leaders of the Church in this country were that their religious convictions made it necessary for them to visit with public censure a member of their Church, a priest in Holy Orders, who, in obedience to what he regarded as the dictates of his conscience, acted within the declared limits of the policy of the Legislature . . . I for one think that there are many who at this moment are profound believers and supporters of the policy of Establishment who would find it necessary to reconsider the basis upon which their belief depends."

The Archbishop of York asked if it would be an exaggeration to say that their Lordships witnessed that evening the lifting of the curtain on the first scenes of a great drama—a struggle between Church and State in this country. Even if the concession made by Lord Buckmaster were granted, there would still be the position that the Bishop was forbidden to censure any of his clergy for any marriage, except the marriage of parties admittedly guilty in an adulterous suit. He was bound to say for himself that he would find it exceedingly difficult to give way on a matter of that kind to the attempted compulsion of the State, and on a matter purely moral and spiritual he would claim the right to deal as his conscience dictated with any of the clergy in his charge.

On a division the Primate's proposed new Clause was rejected by 51 votes against 50.

Lengthy consideration was given also to an amendment, moved by the Earl of Selborne, proposing that a clergyman in Holy Orders should not be liable to any suit, penalty, or censure, not only, as provided by the Bill, for solemnising or refusing to solemnise the marriage of a person whose previous

marriage had been dissolved, but for refusing to admit such a person to communion. The amendment was rejected by 87 votes against 61.

Report Stage and Third Reading.

The Bill was discussed in the House of Lords on Report on 8th June.

Lord Buckmaster moved at the end of the Clause "Saving for the rights of Clergymen of the Church of England" to insert :—

"Provided that the marriage of a person who as a defendant has been divorced under the provisions of this Act and whose former husband or wife is still living, shall not be solemnised in any church or chapel of the Church of England."

The amendment, which, Lord Buckmaster explained, was promised as a compromise during the Committee Stage, was agreed to.

On 22nd June further debate took place on the motion for the Third Reading, which was made formally by Lord Buckmaster.

Lord Braye, as an amendment, moved the rejection of the Bill, which, he said, contained the seeds of family discord and family destruction in every part of England.

Viscount Halifax, who seconded the amendment, said that if divorce was wrong no law could make it right.

On a division the amendment was rejected by 154 votes against 107. The Bill was then read a third time, was passed, and sent to the Commons.

DIVORCE LAW RESOLUTION.

A debate on the Divorce Laws took place in the House of Commons on 14th April.

Mr. Athelstan Rendall (*Coalition Liberal, Thornbury*) moved the following resolution :—

"That, in the opinion of this House, it is desirable that legislative effect should be given without delay to the recommendations contained in the Majority Report of the Royal Commission on Divorce."

Lieut.-Colonel Nathan Raw (*Coalition Unionist, Liverpool, Wavertree*) seconded the motion.

Mr. Ronald McNeill (*Coalition Unionist, Canterbury*) moved the following amendment :—

"That while it is desirable to place the sexes on a footing of equality in regard to divorce, any change in the law that would impair the permanence of the marriage contract would be harmful to the best interests of the community."

The Right Hon. Evelyn Cecil (Coalition Unionist, *Birmingham, Aston*) seconded the amendment.

Viscountess Astor (Coalition Unionist, *Plymouth*) said she did not believe there was any great outcry among the women of the country for the Matrimonial Causes Bill. There was, however, a real cry for justice and equality of treatment.

On a division the amendment was carried by 134 votes against 91.

AGRICULTURE BILL.

Introduced by the Parliamentary Secretary to the Ministry of Agriculture on the day Parliament adjourned for the Whitsuntide recess, the Agriculture Bill, embodying the policy of the Government with regard to the future of the agricultural industry, ranks as one of the principal measures of the Session. It is divided into two main parts. The first amends the Corn Production Act, 1917—a War measure expressly designed to stimulate the home production of foodstuffs—and the second the Agricultural Holdings Acts, 1908 to 1914.

Part I.—This makes permanent the temporary provisions of the Corn Production Act, 1917, which, *inter alia*, relate to the wages of agricultural workmen and the enforcement of proper cultivation.

It provides for the termination by Order in Council of that part of the Act dealing with guaranteed minimum prices subject to the condition that the Order shall not take effect until the expiration of the fourth year after the date on which it is made.

New proposals are made with respect to guaranteed minimum prices. These in future are to be based on the following minimum prices* for the standard year, 1919, viz. :—

Wheat	..	..	..	..	68s.	per	quarter	of	504	lbs.
Oats..	..	..	..	..	46s.	„	„	„	336	„

Minimum prices for 1921 and subsequent years are to be fixed by three Commissioners, and are to rise or fall in comparison with the prices for the standard year in the same proportion as the rise or fall in the cost of production.

ENFORCEMENT OF PROPER CULTIVATION.

Substantial amendments are made in the provisions of the Act which deal with the enforcement of proper cultivation. They include the following :—

Orders for a change in cultivation shall only be made “ where they are not calculated to affect injuriously the persons interested

* It is explained in the Memorandum attached to the Bill that these are the minimum prices recommended by the Royal Commission on Agriculture, and are based on the cost of production in the standard year.

in the land." A right of appeal to an arbitrator is provided to determine whether the order is properly made.

Power is given to order landlords to execute repairs necessary to secure proper cultivation by their tenants. On failure of the landlord to comply the tenant may be authorised by the Minister to execute the works and recover the cost from the landlord. These orders are also subject to an appeal to arbitration.

Failure to comply with a notice requiring cultivation according to the rules of good husbandry, or requiring a change in the manner of cultivating land, is made an offence punishable by fine. The Central Authority or any County Agricultural Committee acting on its behalf is given power in such cases to execute the work and recover the cost.

Where good husbandry and food production are prejudiced by the general mismanagement of an estate, the Minister may, after full inquiry, appoint a receiver and manager to act on behalf of the owner with wide powers of management. An appeal to the High Court against such an order is provided for.

Provision is made for dealing with the nuisance caused by the growth of weeds on land which cannot at present be dealt with under the Act, as not being under cultivation, as for instance, on roadside and railway embankments.

SECURITY FOR TENANTS.

Part II.—Tenants are secured against the loss consequent on eviction by extending the existing provisions of the Agricultural Holdings Acts.

If a tenant is required to quit without any fault on his part, the Bill provides that he shall receive full compensation for all loss directly attributable to the quitting, together with an additional sum equal to one year's rent. If the notice to quit is given capriciously ("without good and sufficient cause and for reasons inconsistent with good estate management"), but in no other case, the additional sum may be increased by the arbitrator to four years' rent.

The Bill does not set up a rent tribunal, but indirectly provides a method for readjustment of rent without the necessity of serving a notice to quit. The landlord is not liable to pay compensation for disturbance if the tenant refuses to agree to an arbitration as to an increase of rent and thereby forces the landlord to determine his tenancy. On the other hand, the landlord is liable to pay compensation if he refuses a request by the tenant that there should be an arbitration as to reduction of rent, and in consequence forces the tenant to leave.

Provision is made for improving the position of a tenant as regards compensation for improvements.* If a landlord refuses consent to the execution of a permanent improvement the County Agricultural Committee can, after hearing the landlord's case, direct that the improvements shall be treated as improvements for which consent is not required, but the landlord will (as in the case of drainage) have the option of executing the improvements and charging an appropriate additional rent to the tenant.

In respect of market garden improvements, the Agricultural Committee is empowered to apply to a holding, or any part of a holding,

* The Memorandum points out that at present a tenant can only obtain compensation for permanent improvements if the landlord consents to their execution.

conditions known as "the Evesham Custom," under which the tenant who determines his tenancy is only entitled to compensation for market garden improvements if he can find another tenant willing to take his place and to undertake his liability for compensation.

Provision is made for compensation where the tenant has continuously adopted a specially high standard of farming.

A landlord is enabled to claim arbitration in respect of dilapidations and other breaches of contract by the tenant. In this respect he is put in the same position as regards enforcement of his claim as that in which the tenant is under the Agricultural Holdings Act, 1908.

This part of the Bill provides for other amendments of the Act of 1908 with the object of improving the legal position as between landlord and tenant.

DEBATE IN HOUSE OF COMMONS.

The Second Reading debate on the Bill was commenced in the House of Commons on 7th June. It was resumed and concluded on 9th June.

The Parliamentary Secretary to the Ministry of Agriculture (the Right Hon. Sir A. Griffith-Boscawen) explained that in its main principles the Bill was based on the report of the Agricultural Reconstruction Committee.* It represented the definite reconstruction policy as regards agriculture of the Government, not as a temporary War measure, but as the permanent policy of the country. Up to the War there was no definite agricultural policy. Farmers were left to shift for themselves, and the State stood severely aside. Were they to let agriculture slip back to the condition in which it was when the War broke out? At the present moment it was undoubtedly cheaper to grow wheat and other corn crops in this country than to import them. The position as regarded food supplies in the future was most dangerous. Russia and Hungary, for the time being, were out of court. The Argentine was so alarmed at the present food situation that it had put practically a prohibitory export duty on wheat. "The whole question is," said Sir Arthur, "how are we to get our daily bread in the future?" The Government's answer was the present Bill.

The keynote of the Bill was security—security by means of guaranteed prices to the farmer, who grew corn in the national interest; security to the agricultural labourer, who had not been too well paid in the past, that by means of the Agricultural Wages Board he should have a minimum living wage; and security to the State by giving the State a certain

* Appointed in August, 1916, to consider and report on the methods of effecting an increase in the home growth of food supplies in the interest of national security. The Committee was presided over by the Earl of Selborne.

control to see the land was so cultivated that the maximum amount of food might be produced for the people. There was for the farmer greater security of tenure of his farm, without anything in the nature of fixity of tenure. The Government did not believe in creating dual ownership. It worked badly in Ireland, and they were not going to repeat the experience in Great Britain.

Extensive Land Sales: Interests of Consumers.

Land sales were taking place extensively all over the country, due to high taxation, to the high cost of repairs, and to the fact that landlords under present conditions found it practically impossible to make both ends meet. Those sales had created a feeling of insecurity among tenants that never existed before, and the Government were bound to deal with the matter.

After discussing the main proposals of the Bill, the right hon. gentleman said the measure was not introduced merely in the interests of agriculture, but in the interests generally of the consumers of this country, to whom it was a matter of vital importance that they should produce every ounce of food that was possible. "In 1913," Sir Arthur added, "we were importing £200,000,000 of foodstuffs which could be grown in this country. I do not say that by a wave of the wand we can grow all the stuff we are importing . . . but I do say we can grow a deal more if we give those who are interested in the land the necessary security and confidence."

The Right Hon. F. D. Acland (*Independent Liberal, Cambridge*) observed that, whatever else might be said about the Bill, it could not be said that it would increase in any possible way the cost of the food of the people. But did the State, under the Bill, get a sufficient *quid pro quo* for the liability which would fall upon the taxpayer under the guarantees? The agricultural industry ought to realise that unless the House of Commons was convinced that they were pulling their full weight in the national boat, and in the great task facing the world in relation to the need for increasing food supplies, they might very likely have the guaranteed prices withdrawn. This was a bargain, and he thought in the long run the nation would only make it a permanent part of its agricultural policy if it was convinced that it was getting value in methods of food production and in the amount of food produced.

Captain the Hon. E. A. Fitzroy (*Coalition Unionist, Daven-*
try) did not think, if passed in its present form, the Bill would have the slightest effect in increasing the food supply of the country, but that, by creating a general feeling of uncertainty throughout the whole agricultural population, it would have an exactly opposite effect.

Mr. H. S. Cautley (*Coalition Unionist, East Grinstead*) was firmly of opinion that not a single acre of land would be brought under cultivation by the Bill. The measure would not even stop the diminution in the acreage of arable land, and it would be the death-knell of the tenant-farmer.

Twenty Years' Guarantee.

The Right Hon. George Lambert (*Liberal, Devon, South Moulton*) said that if the Government were going to have a guarantee, they wanted a guarantee that would be effective, and it must be for at least 20 years. No man was going to engage in building, buying horses, and so on, and entirely change the character of his cultivation, unless he had a guarantee for at least that period of years. That was the condition of an extension of the arable area.

After the closure had been carried by 190 votes against 42, the Bill was read a second time. A motion to refer the Bill to a Committee of the whole House was rejected by 185 votes against 45, and it was, thereafter, sent to a Standing Committee, which had not concluded consideration of the measure at the expiration of the period covered by the present number of the JOURNAL.

On 15th June the House of Commons went into Committee to consider the Resolution authorising expenditure under the Bill.

The Parliamentary Secretary to the Ministry of Agriculture said the first possible payment under the guaranteed prices could take place in the financial year 1922-23, but he did not anticipate that it was likely to take place then, because from all the information at the command of the Ministry there was every reason to suppose, especially as regarded wheat—the question of oats was rather more speculative—that prices would continue to rule for some time above the guaranteed prices. “We wish,” he proceeded, “to induce the farmer to sow as much as possible, and in the absence of a guarantee we cannot get over the difficulties. The farmers are being deterred by the fact that they cannot get the world price, that is to say, the price of imported wheat, and the Government, in order to overcome that, have come to a new decision only yesterday. It is not proposed to make any change in the maximum price for home-grown wheat of the 1920 harvest. That will remain at 95s., as already announced.”

The 1921 Harvest.

Mr. Lambert: “If it goes above that, will the farmer get it?”

The Parliamentary Secretary to the Ministry of Agriculture :
 "Certainly, in 1921. As regards 1921, there was a similar undertaking. That crop is the first crop with which we deal in this Bill. With regard to home-grown wheat harvested in 1921, that is, wheat sown in the coming autumn and spring, the maximum already announced, that is, 100s. per quarter of 504 lbs., will be cancelled. The effect of this will be that, so long as the import of wheat is still controlled, and the farmer is thereby deprived of the full benefit of a free market, he will receive for his home-grown wheat, of sound milling quality, harvested in 1921, an amount equal to the average, c.i.f., cost price of imported wheat of similar or comparable quality. The farmer will have the advantage of the price of imported wheat, and if there is any break in prices he will have the guarantee against serious loss provided by this Bill."

After considerable discussion the Resolution was carried by 248 votes against 18, and on the following day was agreed to on Report without a division.

MINISTRY OF MINES BILL.

A Bill "to establish a Ministry of Mines and to regulate the Coal Industry" was presented to the House of Commons by the President of the Board of Trade on 21st June. The general purpose of the measure, as described in the text, is to secure "the most effective development and utilisation of the mineral resources of the United Kingdom, and the safety and welfare of those engaged in the mining industry."

The Bill provides for the appointment of a Minister of Mines, who is to be an additional Parliamentary Secretary of the Board of Trade, and for the transfer to him of the powers of any Government Department relating to mines, quarries, or minerals, or the mining industry, or the persons engaged therein.

For one year after 31st August, 1920, the Minister is empowered to regulate the export of coal, the supply of coal for the bunkering of vessels, and the pithead price for coal sold for house consumption or for bunkering.

During the same period the Minister is authorised, when any such directions are given, also to give directions as to the wages to be paid to workers in coal mines and to regulate the distribution of profits.

The Minister is to appoint an Advisory Committee to assist him on matters connected with his powers and duties. The committee is to be composed of an equal number of owners and workers in coal mines and of employers and workers in other industries, together with a mining engineer, two managers of coal mines, a coal exporter, a coal factor, a man of commercial experience not associated with the production or distribution of coal, a person experienced in co-operative trading, and three persons with expert knowledge of medical or other science.

COMMITTEES AND BOARDS.

Provision is made for the appointment of pit and district committees and area and national boards.

A pit committee will be constituted for every coal mine, except small adjoining mines, which may be grouped for the purpose. Each committee will consist of an equal number of representatives of the owners and management of the mine and of workers employed in or about it. The functions of a pit committee are *inter alia* to make recommendations with respect to the safety, health, and welfare of the workers, the maintenance and increase of output, and disputes in connection with the mine, including disputes as to wages.

A district committee, composed of equal numbers of representatives of employers and workers, are to take into consideration : (a) questions affecting the district of the same nature as those which may be the subject of recommendations by a pit committee ; (b) any questions referred to them by a pit committee ; (c) any questions referred to them by the area board, the National Board, or the Minister of Mines.

An area board, with equal representation as in the case of the committees, will consider questions affecting the area and any questions referred to them. The committee will also formulate, on principles prescribed by the National Board, schemes for adjusting the remuneration of the workers having regard to the profits of the industry within the area.

The National Board, again having an equal representation of owners and workers, will deal with questions affecting the coal mining industry as a whole.

Owners of every coal mine are for a period of six years to pay a sum equal to a penny a ton of the output of the mine into a fund for the improvement of the social conditions of colliery workers.

DEBATE IN HOUSE OF COMMONS.

On 30th June the Bill was debated in the House of Commons on the Order for the Second Reading.

The President of the Board of Trade (the Right Hon. Sir Robert Horne) remarked that it was upon coal in the last century that their supremacy as an industrial nation was built up, and to-day coal was still a vital factor in all their commercial prosperity and success. Looked at from another point of view its importance could not be exaggerated. It employed at the present time 1,180,000 men, its wage bill amounted to about £270,000,000 and the value of its products was something like £440,000,000. During the War coal was brought under a system of control such as had been applied to hardly any other commodity in the kingdom. The Government had, happily, got rid of a portion of the control. They had shed the duty of retail distribution, and had got rid of the necessity of fixing retail prices ; but it was obvious that, in the present condition of the supply of coal to the world, they must still continue to control the amount which was allowed to go

for export. That involved carrying on a system of arranging the amount of profit. It also made it necessary that they should fix pithead prices, and that, at the same time, they should be in a position to deal with the wages that were to be given as the reward for labour.

But it was not enough to-day merely to deal with the controls he had mentioned. Before the War the colliers of the country were already putting forward an insistent demand for better conditions of life and for the nationalisation of their industry, and as soon as the War ceased that demand sprang up with a greater insistence than ever. Upon the Report of the Royal Commission,* the Government took the view that they ought to nationalise the minerals of the country; that they should be placed under the ownership of the State, and worked under leases from the State. On the subject of the nationalisation of the coal industry, the Government came to the conclusion that it was not warranted, justifiable, expedient, or in the interests of the industry. On the Coal Commission the miners succeeded, however, in making a case for several points and these were dealt with in the Bill. For his part, he was perfectly certain that the only advance that could be achieved in the industrial life of this country must be along the lines of improving the status of the worker, of giving him added knowledge—because ignorance always bred suspicion—and of increasing the responsibility under which he carried on his labour. It was not proposed to deal merely with the coal industry under the Ministry, but with all mining questions, as, for example, the mining of non-ferrous metals, and with such oil as might be found under the surface of their land. If the Bill got a chance he believed that it could bring about a spirit of harmony in the coalfields such as they had not seen before.

Miners' Objections.

The Right Hon. W. Brace (*Labour, Abertillery*), in moving the rejection of the Bill, remarked that if it were designed for the nationalisation of the mines he would view it with a little more sympathy. There was, he regretted to say, no room for doubt that the Miners' Federation of Great Britain had lost confidence in the Government's handling of the mining industry. The real reason why there was a loss in production was the faulty organisation of the industry, and it was notorious that the coalowners had not attempted to develop the collieries. He had no quarrel with the President of the Board of Trade upon the principle of pit committees, area

* The Royal Commission under the chairmanship of Mr. Justice Sankey which reported in 1919.

boards and social reform. But the real basis of the Bill was Clause 11, which said :—

“ An area board shall formulate, at such intervals and on such principles as may be prescribed by the National Board, schemes for adjusting the remuneration of the workers within the area, having regard to the profits of the industry within the area.”

They were talking about peace in the industry. Could the House conceive anything more likely to cause disturbance and disruption than to have reductions in one district at a time when other districts were having an advance in wages ? The industry, for weal or for woe, had once and for all settled that it must be treated as a national unit. “ We cannot work the Bill,” Mr. Brace proceeded. “ We say to the Government : Do not place the great mining community in a state of chaos ; treat it as one unit ; let the prosperity of the prosperous coalfields be used to balance the losses upon the coalfields which find themselves in an unfortunate economic position.”

Sir Clifford Cory (*Coalition Liberal, Cornwall, St. Ives*) complained that the Bill was too near nationalisation and said the reason why developments in the coal trade had ceased for so long was that the owners had no confidence as to the future. They could not be expected to put fresh capital into the industry—and, indeed, they could not obtain it—unless they knew what return they were going to get on their capital. They had, as he thought, been promised that control should cease at the earliest possible moment, but the Bill provided that the Government's powers were to be continued—quite possibly for all time.

Mr. Stephen Walsh (*Labour, Lancashire, Ince*) said he found himself in complete agreement with the speech of Mr. Brace. It was utterly impossible that they should go back to private enterprise in the coal industry. Eight years ago he had, on behalf of the party with which he was associated, brought in a Bill for the nationalisation of mines. They had a firm conviction that that which was due to the bounty of Nature, and which was necessary to the well-being of the nation as a whole, should come into the ownership and control of the nation as a whole. He submitted that a Bill like the present one was only the precursor of very terrible trouble for the Government.

On a division the amendment was rejected by 217 votes against 91, and thereafter the Bill was committed to a Standing Committee.*

* The Bill had not been returned to the House at the expiration of the period covered by this number of the JOURNAL.

INCREASE OF RENT ACT.

On 20th May the Minister of Health introduced in the House of Commons a Bill "to consolidate and amend the Law with respect to the increase of rent and recovery of possession of premises in certain cases, and the increase of the rate of interest on and the calling in of securities on such premises." The measure was passed through both Houses and received the Royal Assent on 2nd July.

The Act provides that in the case of a dwelling-house within the limits of protection afforded by previous Acts—£70 rental in London, £60 in Scotland, and £52 elsewhere—the landlord is entitled to an increase of rent as follows :—

(A) An immediate increase of 30 per cent. of the rent, exclusive of rates, at which the house was let on 3rd August, 1914 ;

(B) A further increase of 10 per cent. at the end of twelve months, making 40 per cent. in all.

In the case of a dwelling-house within the above limits of rental a mortgagee is entitled to an increase of mortgage interest as follows :—

(A) An immediate increase of $\frac{1}{2}$ per cent. provided such an increase has not already been made under the Act of April, 1919 ;

(B) A further increase of $\frac{1}{2}$ per cent. at the end of twelve months, subject to a maximum rate of $6\frac{1}{2}$ per cent.

The Act extends the rental limits for dwelling-houses falling within the scope of its provisions to the following figures :—

In London	..	..	..	..	..	..	£105
In Scotland	..	..	..	..	..	..	£90
Elsewhere	..	..	..	..	..	..	£78

In the case of houses above the old rental limits, but within the new limits, an immediate increase of 40 per cent. in rent and 1 per cent. in mortgage interest is permitted.

The permitted increase of rent is to be conditional upon the execution of repairs by the landlord, and the County Court will have power to suspend the payment of the increase of rent if the repairs are not executed within a limited period.

SECURITY FOR TENANTS.

Within the extended limits of protection a tenant is given security against ejectment, subject to certain qualifications, until 24th June, 1923, on which date the Act will expire. Recovery of possession is not to be given unless :—

(A) The tenant is in arrear with rent, or has broken any other obligation of the tenancy ;

(B) The tenant, or any person residing with him, has been guilty of conduct which is a nuisance or annoyance to adjoining occupiers, or has used the premises for immoral or illegal purposes ;

(c) The tenant has given notice to quit and, in consequence, the landlord has contracted to sell or let the house ;

(d) The dwelling-house is reasonably required by the landlord for occupation as a residence for himself, or for any person to reside with him, or for some person in his whole time employment or in the employment of some tenant from him, and the court is satisfied that alternative accommodation, reasonably equivalent as regards rent and suitability in all respects, is available ;

(e) The landlord is a local authority or a statutory undertaking and the dwelling-house is reasonably required for the execution of statutory duties or powers, and the court is satisfied as respects alternative accommodation ;

(f) The landlord became the landlord after service in any of His Majesty's forces during the war and requires the house for his personal occupation and offers the tenant accommodation on reasonable terms in the same dwelling-house ;

(g) The dwelling-house is required for occupation as a residence by a former tenant who gave up occupation in consequence of his service in any of His Majesty's forces during the war.

The Act imposes for the first time restrictions on the increase of rents of business premises. Its provisions apply to any premises used for business, trade, or professional purposes, or for the public service, subject to certain conditions. The rental limits are the same as for dwelling-houses, but the protection is confined to one year ending on 24th June, 1921.

It is made a statutory offence to demand a premium as a condition of the grant, renewal, or continuance of a tenancy, and a penalty may also be imposed for excessive charges for furnished lettings.

DEBATE IN HOUSE OF COMMONS.

The Bill was debated in the House of Commons on 4th June on the Order for Second Reading.

The Minister of Health (the Right Hon. Dr. Addison) explained that the Ministry had collected together in the Bill portions of former Statutes—re-enacting what they believed to be necessary and repealing the rest—so that they would have the Law on the subject all in one composite measure. Dealing with the main provisions of the Bill, the right hon. gentleman said a feature which would certainly be unpopular was the proposal to allow an increase of rent. But private persons were not going to embark on building houses at a loss, and the existing high cost of building, added to uncertainty as to whether it would be possible to build at a profit in view of the rents allowed to be charged, had been responsible for preventing many people from starting operations. Whilst the Ministry were endeavouring to cope with that great difficulty—and there was a real shortage of houses—vast numbers of existing houses were falling into disrepair, and consequently

an inroad was being made into the quality of the existing accommodation. It was necessary that provision should be made for seeing that repairs were undertaken, and it was, therefore, absolutely essential, notwithstanding its unpopularity, that they should increase the rentals.

Then people accustomed to build houses with borrowed money found it increasingly difficult to get a sufficient advance to enable them to carry on their operations. That was partly due to the fact that the rate of interest obtainable in other directions was materially higher than that which the limitations at present in force enabled people to obtain for that class of investment. Therefore Lord Salisbury's Committee* recommended that an increase should be allowed to meet the additional expenses of borrowing. Explaining the proposal regarding the increase of rent, the right hon. gentleman said the expression "standard rent" meant the rent paid on 3rd August, 1914, or, if the house was built since, the rent at which it was first let. "In a large number of cases," he observed, "that standard rent includes a certain contribution to the rates, and it is provided that increases of rates beyond the amount payable in August, 1914, are allowed to be added. The increased rent allowed is not based on the standard rent, but on what we describe as the net rent—that is to say, the rent minus the rates—and therefore the figure on which the increase is based, where the standard rent includes a contribution to the rates, is less than that amount by the amount contributed to the rates."

In the case of houses up to the existing limit the Bill provided that they should allow altogether an increase of 30 per cent. That was made up of two parts—5 per cent. in respect of increased mortgage interest and 25 per cent. in respect of increased cost of repairs. With respect to houses coming under the existing law a 10 per cent. increase was previously permitted. Where that 10 per cent. increase had been applied, it would be embodied in the 30 per cent. With respect to houses above the existing limit of £75 and up to £105, the amount was put at 40 per cent. Where the tenant was responsible for the repairs the 25 per cent. did not apply, and the Court might suspend the operation of the increase of rent where the house was not reasonably fit for human habitation, or otherwise was not in a reasonable state of repair.

* The Committee, under the chairmanship of the Marquis of Salisbury, was appointed by the Minister of Health in February, 1920, to consider the operation of the Rent Restriction Acts, and to advise what steps should be taken to extend, continue, or amend them. It reported at the end of March and the Bill subsequently introduced was based on its recommendations.

Business Premises.

As regarded business premises, where a shop or office was part of the dwelling house of the person who lived there, the whole premises, including the shop or office, were affected by the operation of the Bill. Apart from that the Bill afforded no protection to business premises, but it was proposed to set up a Select Committee to examine the whole of the question as it affected business premises.

Mr. W. Graham (*Labour, Edinburgh, Central*) moved the following amendment :

“ That whilst recognising the necessity for legislation strengthening and extending the period of the present law in the interests of tenants, this House cannot assent to the Second Reading of a Bill which admits the principle of a general increase in rent, which groups with provisions dealing with rent and tenancy modifications of the law of rating, and which does not provide tenants with adequate security of tenure.”

Mr. J. E. Davison (*Labour, Smethwick*) seconded the amendment.

The Right Hon. E. G. Pretyman (*Coalition Unionist, Chelmsford*) urged that departures of this kind from economic laws must be as limited as possible both in time and scope.

On a division the amendment was rejected by 146 votes against 19. The Second Reading was afterwards agreed to.

The Bill was considered by a Standing Committee of the House of Commons and one of the amendments made in it was to include within its scope premises used for business, trade, or professional purposes which fall within the rental limits prescribed for dwelling-houses.

After passing through the House of Commons the Bill was sent to the House of Lords and was there read a second time on 24th June. It was amended in various particulars at subsequent stages and finally became law as stated.

PROTECTION OF INDUSTRIES BILL.

On 22nd April the House of Lords rejected on the motion for Second Reading the Protection of Special Industries Bill* introduced by Lord Balfour of Burleigh.

* The objects of the Bill—to prevent dumping and to establish a Special Industries Council—were described in the last issue of the JOURNAL (Vol. I., No. 2, page 294), which also contained a summary of the debate on the First Reading.

DEBATE IN HOUSE OF LORDS.

After a formal motion had been made for the Second Reading,

Lord Emmott said Free-traders contended that the case for dumping must be proved if they were to deal with it, but hitherto, on that question, there had been much cry and comparatively little wool. He urged that anti-dumping legislation, based on traders' fears on a pre-War basis, was quite unnecessary at the present time. A much more probable danger, not covered by the definition of dumping in the Bill, was the possibility of competition from America or Eastern countries in goods which were not sold in this country at a dumped price, but at prices, after allowing for the cost of carriage, higher than in their own country, and yet at prices with which our own manufacturers were not able to compete. Cost of production here had risen so enormously, hours of work had been so curtailed and production had been so much lessened that there was a real danger of competition of that kind, although it had not yet occurred to any serious extent. Whatever dangers had to be met he urged on Lord Balfour of Burleigh that a system of prohibition and licensing was about the worst that could be adopted.

Earl Beauchamp, in accordance with notice, moved the following amendment :—

That this House refuses to proceed further with a Bill the result of which will be to legalise profiteering and to increase the cost of living.

The noble Lord said that under the Bill the consumer would be caught both ways. If the foreign manufacturer sold goods to this country cheaper than he sold them at home it was called dumping and the provisions of the Bill would operate. But if the foreign manufacturer produced dearer goods, then the home manufacturer could raise his price, and again the consumer was made to pay more. That justified the clause in the amendment stating that the result of the Bill would be to legalise profiteering—for profiteering it was, and nothing else.

The Marquis of Crewe urged that in all these matters it was desirable, so far as they could, to restrict to the lowest possible limit the interference of Government, whether it be by subsidising the industry, by taking over the industry, or, in the last resort, by putting on a tariff which might be prohibitory.

Free Trade Position.

Lord Balfour of Burleigh said his advocacy of the Bill was in no sense to be taken as a general departure from the principles

and advantages of a Free-trade policy for this country. But the experience of recent years had proved that an undue and slavish adherence under all circumstances to the principles of what was described as Free-trade, as if they were the principles of the Gospel, had been productive of danger to the country, and he did not want that difficulty to occur again. It was perfectly true that at the moment dumping was not a pressing danger, but it might become so in the future. He was inclined to think it would be much better for the general interests and for the trade of the country if in the future they watched that class of movement more than they had done in the past, and he believed that the reorganisation of the Board of Trade would to some extent tend in that direction. His view of the definition of dumping in the Bill was that, if fairly and properly carried out, it would give the home producer fairer play than he had in the past. He did not really care very much under present circumstances what happened to the dumping clause, but he thought it would be wise to put on record that they meant to protect themselves against unfair action.

With regard to special industries, he contended that Government action ought to be taken to promote and safeguard their development in the United Kingdom. These special or pivotal industries were industries on which other and larger branches of industrial production of substantial national importance were dependent, and which were not themselves of sufficient importance to assure their development without State assistance and oversight. That class of industry ought, in the interests of the country, to be maintained in the United Kingdom at all hazards and at any expense. Let them begin with those essential industries, set up machinery for them, and take care that they were properly safeguarded. Then if it turned out that any other industry, on account of circumstances which they could not foresee, had to be added to the list in the national interest, it could be done carefully, judicially, and after proper inquiry.

The Lord Chancellor (Lord Birkenhead) said that in the view of the Government there was much that was valuable in the proposals of Lord Balfour of Burleigh, but they were not prepared to accept them entirely. If the Bill went to a division he himself would certainly support it, but other members of the Government might take a different view.

On a division the amendment to reject the Bill was carried by 23 votes against 22.

CANADA.

The following summary of the proceedings of the Fourth Session of the thirteenth Parliament (which opened on 26th February, 1920) is in continuation of the summary commenced in the last (April) issue of the JOURNAL.*

Owing to the number of subjects of general interest to the Empire discussed during the later stages of the Session, some Bills and Resolutions which were considered in Parliament during the period under review, but which were of less Imperial importance, have been held over until the next issue of the JOURNAL.

TREATY OF PEACE (BULGARIA) RESOLUTION.

(Senate.)

On 7th April, 1920, the Senate proceeded to the consideration of the Message from the House of Commons adopting a resolution approving of the Treaty of Peace between the Allied and Associated Powers and Bulgaria (*vide* JOURNAL OF THE PARLIAMENTS OF THE EMPIRE, Vol. I., No. 2, page 322), and requesting the Senate to unite with the House in the approval of the Treaty.

* During the first part of the Session the Rt. Hon. Sir Robert Borden continued in office as Prime Minister, but on his resigning office on 10th July the Hon. Arthur Meighen was invited by the Governor-General to form an Administration. Having undertaken the task, the following were subsequently sworn in as members of the new Administration :—

First Minister and Secretary of State for

External Affairs	Hon. Arthur Meighen.
Minister of Trade and Commerce	Rt. Hon. Sir George Foster.
Secretary of State and Minister of Mines	Rt. Hon. A. L. Sifton.
President of Privy Council and Minister of Immigration and Colonisation ..	Hon. James A. Calder.
Minister of Finance	Hon. Sir Henry Drayton.
Minister of Justice and Attorney-General	Rt. Hon. C. J. Doherty.
Minister of Railways and Canals ..	Hon. James D. Reid.
Minister of Interior and Superintendent-General of Indian Affairs	Sen. the Hon. Sir James Lougheed.
Postmaster-General	Sen. the Hon. B. E. Blondin.
Minister of Marine and Fisheries and Naval Service	Hon. Charles C. Ballantyne.
Minister of Labour	Sen. the Hon. G. D. Robertson.
Minister of Militia	Hon. Hugh Guthrie.
Minister of Agriculture	Hon. S. F. Tolmie.
Minister of Customs and Inland Revenue	Hon. E. W. Wigmore.
Minister of Public Works	Hon. F. B. McCurdy.
Ministers without Portfolio	{ Hon. Sir Edward Kemp.
	{ Hon. E. K. Spiney.

DEBATE IN THE SENATE.

The Leader of the Senate and Minister of Civil Re-establishment (Hon. Sir James Lougheed), in moving the resolution, thought that within the four corners of the Treaty before them for consideration, with a view to ratification, there was nothing of material interest to Canada except in the general way in which Canada was a party to that Treaty, and in the recognition which had been given by the Imperial authorities to the advanced status of Canada at the Conference. There never had been a time when it did not rest with Canada alone to request from the Imperial authorities, or from the Empire, whatever recognition Canada thought should be accorded to her. He desired that it should be kept in view that the sentiment of the Imperial authorities towards Canada had always been, and was to-day, that whatever relations Canada wished to have established between herself and the Empire, that relation would be recognised by the Imperial authorities.

The Hon. H. Bostock (Leader of the Opposition) stated that at the beginning of the Session the Leader of the Government laid on the Table of the House the Treaty with Czechoslovakia, and that Treaty was assented to by Order in Council. It seemed to him that if they were to deal with a Treaty with Bulgaria as they were asked to deal with it, they should deal with all these Treaties in the same way.

Referring to the League of Nations, Senator Bostock thought that conditions in Germany were very serious, and he doubted very much whether the people of Canada realised the responsibilities that they had to face in becoming a party to the League. In accepting these they had to be prepared to take their stand as part of the British Empire and to do their part in upholding the League, and trying to make it a force to maintain the peace of the world.

On previous occasions, continued Senator Bostock, when it was necessary for a Treaty to be drawn up between Canada and other nations of the world, representatives of Canada negotiated the Treaty with the assistance of the representatives of the British Government. This was simply carrying out the work of co-operation in the Empire, and was a recognition that Canada had arrived at the stage at which she was entitled to be represented directly in the negotiation of such treaties. The action that had been taken by the Government to-day in insisting that the representatives of Canada should be made party to this Treaty had not, as far as he could see, made any particular difference in the status of Canada.

The Hon. N. A. Belcourt (Ont.) wished to draw attention to certain provisions of the Treaty which seemed to him to be of special interest to Canada. After citing the articles of the

Treaty dealing with the rights of minorities, he stated that the League of Nations had solemnly on two occasions declared the right of minorities to the free use of their language and their religious beliefs. They had gone further ; they had provided the means whereby these rights might be freely and without infringement practised with regard to education as well. They had decreed in this case, as they had previously done with regard to the countries within the German and Hungarian Empires, that minorities should have a right to a share of the public money devoted to educational purposes. They had declared that this question of the protection of minorities was a question of international concern. He wanted to raise the question whether they in the British Empire to-day could claim with truth that they had applied throughout the Empire these principles and had enforced the rules which were sanctioned by the Treaty. It was his duty once more to remind the House that there was a part of the British Empire in which this rule had not held good. There were in the Confederation of Canada two provinces which were to-day denied the right which they said must be given to the minorities in Bulgaria and Germany and Hungary. In the province of Manitoba the French Canadian Catholic minority, in order to be able to teach their children the language of their forefathers, and the religion they had inherited, must pay double taxes. In the province of Ontario, French had been banished altogether in some of the schools and was gradually but surely being eliminated from the rest.

"The British Empire," declared Mr. Belcourt, "has given the best example of freedom and liberty to the peoples which have come under the British flag, and are we in Canada going to be content to allow this blot to remain on our statutes ? . . . We have interfered with what might otherwise be called a local question in continental Europe, and we would be bound to deal with the question affecting Manitoba and Ontario in the same way. This question has long passed the provincial boundaries ; it has become in Canada a national question of very great importance ; and not only that, but by these Treaties it has been given with our participation and full approval the character of an international question. . . . I again solemnly appeal to the majority in this country and ask them if the time has not arrived when, consistently with the action which we are taking to-day, consistently with the action which we took upon the German Treaty, justice must be rendered to the minority in Manitoba and Ontario."

At the conclusion of Mr. Belcourt's speech Sir James Loughheed's motion was agreed to.

BULGARIAN TREATY OF PEACE ACT.**(Canada and Anglo-French Treaty).**

This Act, which was assented to on 11th May, carries into effect, as far as concerns Canada, the Treaty of Peace between His Majesty and Bulgaria, and is couched in the same terms as the German Peace Treaty Act (*vide JOURNAL OF THE PARLIAMENTS OF THE EMPIRE*, Vol. I., No. 1, page 102).

In reply to a question, the President of the Council defined the position of Canada with regard to the Anglo-French Treaty (*vide JOURNAL*, Vol. I., No. 1, page 1).

DEBATE IN HOUSE OF COMMONS.

The President of the Council (Hon. N. W. Rowell), in moving for leave to introduce the Bill on 6th April, stated that the Bill was, in form, the same as the Bill passed relating to the Treaties of Peace with Germany and Austria. Members would recall that the Senate amended the Bill last session so as to make it include other treaties of peace. Objection was taken—he thought reasonably so—by members of the Opposition to passing legislation affecting treaties before those treaties had been submitted to the House. It was therefore necessary to have a special Bill to deal with the Treaty of Peace with Bulgaria.

The motion was agreed to and the Bill read the first time.

Speaking on 8th April at the Committee stage, **The President of the Council** explained that provision was made in this Treaty, just as in the treaties with Germany and Austria, for two methods of dealing with the liquidation of debts due by Canadian nationals to Bulgarian nationals and by Bulgarian nationals to Canadian nationals. One was the establishment of a Clearing Office. The other was the liquidation, under process of law, subject to the provisions of the Treaty. If a Clearing Office was decided upon, Canada could establish one herself, or a Clearing Office might be established for the whole British Empire, Canada coming in under its provisions and a branch being established in this country which, so far as Bulgaria was concerned, would be but a branch of the British Empire Clearing Office, but as between themselves and Great Britain would be the Canadian section of the Clearing Office. If the Clearing House proposal was adopted, each Government agreed to prohibit its own nationals from dealing directly with the nationals of the other

in adjusting these claims. That could only be done by legislation.

The Hon. W. S. Fielding (*Liberal, Shelburne and Queen's, N.S.*) pointed out that Sub-section 3 of Section 1 provided that "any expense necessary in carrying out the said Treaty should be defrayed out of moneys provided by Parliament." How were they to be provided?

The President of the Council: "By vote of this Parliament."

Mr. Fielding: "We put through a Bill of this character last year, and we now discover that the Government paid \$65,000, not out of a vote for this purpose, but out of a vote headed Demobilisation. I have asked for a return which I have not yet received, but in the absence of any explanation it strikes me as extraordinary that the Government should have taken that course of financing these expenses."

The President of the Council: "The return my hon. friend has asked for will be brought down at once in connection with the payment of the expenses of the League of Nations."

Mr. D. D. McKenzie (*Liberal, Cape Breton N. and Victoria, N.S.*) asked whether they were still at war with Germany, Austria, Turkey and Bulgaria, or with any of them. It was important that they should know exactly when the war ceased, because their Naturalisation Act of last year provided that ten years from the cessation of war an alien would have an opportunity of applying for naturalisation.

The President of the Council explained that the Treaty with Bulgaria provided that it should come into force when ratification had been deposited by Bulgaria and three of the principal Allied and Associated Powers, and when the Treaty came into force a state of peace was established between the Allied and Associated Powers which had ratified the Treaty and Bulgaria. Within the last ten days they had received information from the British Government that the Bulgarian Treaty should be ratified. They advised them that as soon as the approval of the Senate was given Canada would consent to ratification. That consent was given to-day by the passing of an Order in Council requesting His Majesty to approve and ratify the Treaty in respect of the Dominion of Canada. They became at peace with Germany on the 10th January last.

Mr. Fielding: "Another Treaty was at one time submitted to this House, the Treaty between Great Britain, France and the United States, for the protection of France against a possible attack by Germany. Are we parties to that Treaty in any way?"

The President of the Council: "No, it does not apply to us unless we give our express assent thereto, and Canada has not so far given her assent."

Mr. Fielding : " Why should we not be asked to give our assent to that Treaty ? "

The President of the Council : " That Treaty does not go into effect unless it is approved also by the United States. The United States have not so far approved it, and it will be time enough for us to take action when it appears that there is some prospect of the Treaty going into effect. "

Mr. Fielding : " We must wait for guidance from Washington ? "

Later in the discussion **The President of the Council** said that the Government had indicated that it was their policy to submit to the House for approval all the Treaties of Peace with enemy Powers.

In reply to a question by **Mr. E. B. Devlin (Liberal, Wright, Ont.)** Mr. Rowell said that the legislation was not to ratify the Treaty but to give the Government power to carry it into effect. The preamble did not say that the Treaty had been ratified, but that it had been submitted to both Houses of Parliament. The signing did not give it legal effect unless it so appeared from the Treaty. The method of ratification for each country depended upon its own constitution.

The Hon. W. L. Mackenzie-King (Liberal, Leader of the Opposition) : " Is not the King the only one with authority to ratify the Treaty ? Parliament may approve it, but is not ratification the act of the Sovereign ? "

The President of the Council : " In the British Empire it is the act of the Sovereign ; in the United States it is the act of the President and the Senate. "

Mr. Devlin : " Is not the logical sequence of that answer that we have no rights at all in this matter, if it is the King that ratifies for the British Empire ? "

The Bill was reported, read the third time, and passed.

DEBATE IN THE SENATE.

The Senate went into Committee on the Bill on 16th April.

The Leader of the Senate and Minister of Civil Re-establishment (Hon. Sir James Loughheed), in answer to a question by **The Hon. W. Roche (N.S.)**, stated that the King had deferred his signature to the Treaty until it was signed by the Overseas Dominions who were parties to it.

The Hon. R. Dandurand (Que.), referring to the question of payment, asked if that was a direct expenditure by the Government of Canada, or simply the contribution of their share ?

The Leader of the Senate : " Each of the countries party to the Treaty is assessed with a certain proportion. "

The Bill was reported without amendment.

LEAGUE OF NATIONS.

On 22nd June, Sir Herbert Ames, the Financial Director of the Secretariat of the League of Nations, made a statement in the House of Commons on the constitution, objects and work of the League.

Sir Herbert Ames (*Unionist, St. Antoine, Que.*) on the motion for the House to go into Committee of Supply on the Estimates of the Department of External Affairs, stated that nine months ago, at the desire of the Prime Minister, he had gone overseas to accept the position of Financial Director of the League of Nations Secretariat.

The League a Reality.

"The League of Nations," he declared, "is no longer a dream; it is a reality; it has being; it has form; it has organs; it functions. Many difficulties have been overcome; many dangers avoided. There are still difficulties and dangers in the way, but I am to-day convinced that ultimate success is reasonably sure, so convinced that I am ready to stake my future on this issue. It is for this reason I have returned . . . to record a solemn declaration that in my judgment, in entering the League of Nations, Canada has made no mistake. . . . Our international relations should be free from partizanship. This is the spirit and example of the League as it functions to-day. I trust that the spectacle of political division on international questions exhibited by a nation not far distant from us may be a sufficient object lesson to induce Canada to resolve that, in so far as her international relationships are concerned, politics shall not be permitted to enter into that domain."

Signatory States.

The Treaty of Peace, Sir Herbert continued, came into force on 10th January, 1920. On that date the League of Nations was officially born. During the past five months, 24 out of the 32 original signatories had duly ratified the Treaty. Only five out of the 45 original members had definitely abstained from entering the League: the United States, Cuba, Hayti, Honduras, Nicaragua. It was a significant fact that within the sixty days, every invited State, after debate and full consideration, decided to enter the League. Thus the League already contained 37 States. In addition, a number of new nations had applied for admission, and it

seemed probable that, at the next assembly, even some of the former enemy States might be taken in. Never in the history of the world had so large a number of independent nations joined together for common ends.

The Council and its Work.

After stating that the organs of the League were three in number—the Assembly, or general gathering of members; the Council or Executive Committee of the League, and the Secretariat or permanent international Civil Service—Sir Herbert pointed out that the abstention of the United States made a Washington Assembly impossible, so that the Assembly would not take place until November, 1920, when it might be held at Brussels. Instead of commencing its career by a meeting of the Assembly, the Council had first been brought into being as the Authority of the League. This Council at present comprised eight members. Four represented the principal Allied Powers—Great Britain, France, Italy and Japan. There was a vacant chair at the table, which spoke volumes. Four other members of the Council represented the League at large. These seats were occupied by representatives from Spain, Belgium, Greece and Brazil. When a special question in which an important State was interested came up for consideration, that State might have an *ad hoc* member. Within the past five months there had been six meetings of the Council.

Describing the specific tasks of the League, *i.e.*, the administration of the Saar Basin and the government of the free city of Danzig, he said that the Commission to administer the Saar Basin had for Canadians a peculiar interest in that one of the most active and successful members of the Commission was the well-known ex-mayor of Winnipeg, Mr. R. D. Waugh.

“The League,” continued Sir Herbert, “is not a super-State, but an association of free nations. It is an instrument of co-operation. It does not impose its views upon unwilling members, but it composes different views into a common agreement.” It was desirable (for instance) that effective health laws should be as nearly universal as possible. The *modus operandi* generally followed was the creation of a small international expert committee in liaison with the Secretariat. This committee prepared a plan. A larger international committee of health experts was next appointed to consider and probably amend the plan. It was then reported to and approved by the Council. The next step was to draft a convention and distribute this among the members of the League, with a request that each State should put through legislation as nearly as possible along the lines indicated. Each nation had a consultative part in the making of the draft

Act. No nation was bound to accept it even after it had been prepared, but it was hoped that an Act thus prepared would be so reasonable and so elastic that it could secure general support.

He then described the measures adopted towards the establishment of a permanent court of International Justice, a permanent Economic Commission and a permanent Transit Commission. With regard to the latter body at the present moment they were in touch with a Canadian railwayman whose services they might decide to secure as a member of the expert commission.

In speaking of armaments, Sir Herbert said that at their meeting in Rome there were present by request a number of military, naval and air experts from many lands. It was decided to appoint a permanent Advisory Committee to prepare statements for future consideration. It would be asked to consider the fixation of armaments that should be allowed for each State seeking admission to the League. Probably when the second meeting of the Assembly was held in 1921, the question of disarmament would be one of the principal subjects that would be considered.

Referring to mandates, he pointed out that it was to General Smuts that the credit for this idea was usually given. Among other instances it was to be worked out in the former German possessions in Africa.

Measures were being taken in respect to the white slave traffic, the opium traffic and other evils mentioned in the Covenant.

The League stood for open diplomacy. Every Treaty henceforth made by any member must be registered with the League. If found to contain provisions contrary to the spirit or letter of the Covenant, the Treaty must be revised. If the nation refused to revise its Treaty, it was expelled from the League by that very act. The Council had already sanctioned the setting up of a department for the registration of Treaties.

International Labour Office.

While it was not really a part of the League, the International Labour Office, in the drafting of the provisions concerning which their own Prime Minister (Sir Robert Borden) had no inconsiderable part, was really the first to get upon its feet. It was well established and was, he understood, taking up its permanent home this month in Geneva. Hitherto one of the greatest obstacles in obtaining an improvement in the conditions of working men had been the fact that while the more advanced countries had been willing

to adopt progressive legislation, the more backward countries would not do so; therefore the more progressive a nation was the more it was submitted to the competition of nations that would not observe such laws. When, therefore, it was possible to unite the peoples of the world in a common agreement bringing the backward nations up to the level of the most progressive, they were able to feel that the labouring people of any country would be well treated without thereby submitting that country to ruinous competition from other parts of the world.

Co-operation.

Already emergencies had arisen calling for co-operation, in order that by united effort disaster might be warded off and suffering alleviated. Of such a nature was the proposed action to meet the typhus epidemic now spreading in Central Europe. "The nations belonging to the League," said Sir Herbert, "will be asked in the name of humanity to subscribe the funds necessary to protect Central Europe and the world from this great danger. It is hoped that Canada's response will be generous. Surely no task assumed by the League is more important than the organisation of an international sanitary corps preparing to combat contagious diseases when they arise and thus protect the world from the plagues that have ravaged it in previous centuries."

One had only to read the history of the previous Leagues to see that they failed mainly because no provision was made for a permanent working organisation. This lesson had been truly learned. The League would not undertake tasks that it could not perform. It was building up an organisation, however, that would be capable of assuming heavy responsibilities.

Article 5 of the Covenant required that a unanimous decision should be arrived at by the Council on all questions, save when in the Covenant a majority was specifically stated to be sufficient. He had been struck by the fact that, although six meetings had been held and a score of important questions dealt with, every decision had been unanimous. "The will to agree," he declared, "was the spirit of the Council of the League."

Canada's Position in the League.

The position attained by Canada in the League marked a long step forward in their constitutional development. In the Assembly Canada was on equality with the other States. She was eligible for a seat on the Council, although, in view of the fact that the representative of the British Empire would always have a seat in that body, it was not likely that

Canada's claim would be pressed. She had the right, however, of voting for the election of one half of the Council. Any question intimately affecting Canadian interest would not be dealt with by the Council unless the Canadian representatives were seated at the Council Board. In view, then, of Canada's position as a full member of the League it was important that her deputation at the Assembly should include her foremost statesmen. Furthermore, it was extremely important that before the Assembly met, the representatives of the various parts of the British Empire should hold converse together and mutually study the questions which would come up. The first meeting would be held in Europe, but why should not the second meeting be held on the North American Continent, and what better place than Ottawa to give it welcome? If it was the desire of Parliament, as representing the people of Canada, that an invitation should be extended to the League of Nations to visit Ottawa, might he suggest that the deputation that represented Canada next November should be the bearer of this message?

"May I point out to this House," concluded Sir Herbert, "the greatness of Canada's opportunity? Her position is unique. The abstention of the United States was a great disappointment to the framers of the League, but it has turned their eyes to Canada and the other Overseas Dominions in greater measure than could otherwise have been the case. . . . For years to come Canada's rôle will be that of helper. We joined the League for what we could give, not for what we could get. . . . As individuals we help the sick, the orphaned, the poor in generous measures. There are sick nations in the world to-day, orphaned peoples and starving States. The Canadian people may be asked to show collectively the same generous characteristics that Canadians as individuals have always evidenced. Again, we shall be asked to give counsel in the Assembly of Nations, in the conferences, in the committees, and we should send of our wisest and best, so that Canadian statecraft will be respected and Canadian statesmen esteemed. We shall be asked for administrators, men who in our free, open land have developed qualities of action and of heart that will make them fit to assume difficult tasks of world reconstruction. Already we have given several men of this character, and more will be called for."

The House having gone into Committee,

The Hon. Henri S. Béland (*Liberal, Beauce, Que.*) said that some doubt had been expressed whether the member of the Assembly of the League of Nations, who was invited to sit in the Council of Nine, had the right to vote when a question affecting his country was under consideration.

Sir Herbert Ames: "As I understand it, if it was a question in which Canada was vitally interested, and Canada was invited to have her representatives sit at the table for the discussion of the question, Canada's vote cast against the decision would prevent its ratification."

The President of the Council (Hon. N. W. Rowell), in answer to a question by Brig.-General W. A. Griesbach (Unionist, *Edmonton, W. Riding, Alta.*), said that in case a dispute should arise and the Council should decide that armed forces should be called upon to assist in settling that dispute, they would have to summon to the Council the nations which they considered should provide the armed forces. No country could be called upon to contribute an armed force unless its representative on the Council agreed.

Replying to another question, the Minister stated that in Great Britain there had been organised one of the most powerful voluntary associations ever organised in that country, known as the League of Nations' Union, of which Viscount Grey was Chairman, the honorary Vice-Chairmen were the leaders of the political parties in Great Britain, and Lord Robert Cecil was Chairman of the Executive Committee. They were raising a fund, he thought, of £1,000,000 for propaganda work in Great Britain, so that the people of the Mother Country would support the League.

General Griesbach: "To precede all discussion by disarmament is, in my judgment, the height of nonsense. . . . I agree that the League of Nations can do very useful work, in the first place, by studying the causes of the war and, in the second place, by attempting to remove those causes."

Sir Herbert Ames: "If we can once get the armaments of the world down to such a small extent that no nation can suddenly take any other nation by the throat, we shall have gone a long way towards securing lasting peace."

Replying to a question by Dr. Béland, Sir Herbert Ames thought he could say that no important step had been taken by the Council of the League since its formation without an opportunity having been afforded to the United States to co-operate.

Cost.

The Hon. W. L. Mackenzie-King (Liberal, Leader of the Opposition) asked what the amount of Canada's share was in the Budget of the League.

The President of the Council: "The appropriation which will appear in the Supplementary Estimates for this year is approximately \$200,000."

Mr. Mackenzie-King: "How does our share compare with the share Great Britain pays?"

The President of the Council: "It is exactly the same as Great Britain's share; Australia's share is the same. I do not know why Canada is on the same basis as Great Britain and the United States in the International Postal Union, but she is, and therefore we are paying now on this basis a larger share than we will after the readjustment is made" (*i.e.*, by the Assembly of the League).

After further discussion the Debate closed.

MINISTER PLENIPOTENTIARY AT WASHINGTON.

On 10th May, 1920, an announcement was made in the House of Commons that His Majesty would accredit a Canadian Plenipotentiary to the United States.

DEBATE IN HOUSE OF COMMONS.

The Acting Prime Minister (the Right Hon. Sir George Foster) said: "As a result of recent discussions an arrangement has been concluded between the British and Canadian Governments to provide more complete representation at Washington of Canadian interests than has hitherto existed. Accordingly, it has been agreed that His Majesty, on the advice of his Canadian Ministers, shall appoint a Minister Plenipotentiary, who will have charge of Canadian affairs, and will at all times be the ordinary channel of communication with the United States Government in matters of purely Canadian concern, acting upon instructions from and reporting direct to the Canadian Government. In the absence of the Ambassador the Canadian Minister will take charge of the whole Embassy and of the representation of Imperial as well as Canadian interests. He will be accredited by His Majesty to the President with the necessary powers for the purpose. This new arrangement will not denote any departure either on the part of the British Government or of the Canadian Government from the principle of the diplomatic unity of the British Empire.

"The need for this important step has been fully realised by both Governments for some time. For a good many years there has been direct communication between Washington and Ottawa, but the constantly increasing importance of Canadian interests in the United States has made it apparent that Canada should be represented there in some distinctive

manner, for this would doubtless tend to expedite negotiations, and naturally first-hand acquaintance with Canadian conditions would promote good understanding. In view of the peculiarly close relations which have always existed between the people of Canada and those of the United States, it is confidently expected as well that this new step will have the very desirable result of maintaining and strengthening the friendly relations and co-operation between the British Empire and the United States."

On a motion of the **Prime Minister (the Right Hon. Sir Robert Borden)** on 17th May for Committee of Supply,

The Hon. W. S. Fielding (*Liberal, Shelburne and Queen's, N.S.*) said that he availed himself of this motion to invite the attention of the House to what he regarded as a question of large importance. During the war a number of business men were sent to the United States, appointed to what was called a War Mission, whose business in that country was to endeavour to obtain for Canada a share in the large volume of contracts that were being made for munitions of war and for supplies. He believed that the Mission discharged that duty in a way that brought a great deal of business to Canada. But he was afraid that the step which the Government were now taking meant that at a time when everybody was talking of the need of economy the Government were plunging into a form of expenditure which promised but little substantial good to Canada, but which was full of possibilities of future trouble.

More Information and Discussion.

He thought that there was a point on which the House might well take strong ground, and that was that in a matter of such large importance Parliament was entitled to be furnished with more information than it had received in this connection. There was, he was afraid, a tendency in their Parliamentary system to magnify the power of the Cabinet and to minimise the power of Parliament, and that was a tendency which they should guard against. There was nothing in connection with this Washington business, so far as Canada was concerned, which could suffer if it was delayed; and Government by Order in Council, which might have been justified in time of war, could not be justified in time of peace. There had been no resolution of Parliament setting forth that they were dissatisfied with the present state of affairs. There had been no discussion on the public platform. In a matter of so much gravity, for the Government to withhold information and proceed to commit the country to this new scheme at Washington was a step which Parliament ought to look upon with grave suspicion.

He was satisfied that even the \$80,000 which was asked this year would be found quite inadequate to the maintenance of the proper dignity of Canada's representative as proposed at Washington. It was important in its relations to their communications with the United States and in its bearings on their relations with the Mother Country. It came nearer to being a constitutional change than any of the various matters which had recently been brought to the attention of the House. It would be a wise policy for the Government to halt in their proceedings, and before they went further to bring the whole matter fully before the Parliament of Canada, in order that they might be able to exercise sound judgment on the subject.

He therefore moved the following amendment on the motion for Supply :—

“This House desires to record its opinion that before any arrangement respecting the permanent representation of Canada at Washington is consummated, the House should be fully informed concerning the negotiations between the Canadian, Imperial, and United States Governments, and all correspondence and Orders in Council on the subject should be submitted to the House.”

The President of the Council (Hon. N. W. Rowell) said that they had only to recall conditions existing between two great countries having a boundary 4,000 miles in extent, and in which for many years the chief work of the British Ambassador at Washington related to Canadian affairs, to realise that Canada had important and vital interests which required the attention of a representative of Canada. He was sure that his hon. friend (Mr. Fielding) realised that the largest part of the external trade of the Dominion of Canada was with the great nation to the south. There were not only the conditions of trade, but other questions did and must invariably arise between two nations geographically so closely and intimately related as the peoples of their two countries, calling for the attention of a Canadian Minister.

He believed that so far as concerned purely Canadian affairs their representative would conduct negotiations direct with the American Government, and so far as concerned matters that were not purely Canadian, they would be dealt with in co-operation with the British Ambassador.

After stating that they had passed no Order in Council in connection with this matter and that the conduct of foreign relations would be impossible if the Government had gone further than they had done in the present case, Mr. Rowell declared that they could not remain in a dependent position having their affairs managed by other people. They were not going to change their settled allegiance to the King and cut the tie that bound them to the Mother Country in order to obtain the management of their own affairs.

A Logical Development.

"We are going to do two things," declared Mr. Rowell, "manage our own affairs and maintain the unity of the British Empire. We believe that we are entitled to manage our own purely Canadian affairs within the British Empire, and that is what this policy implies and involves. In so far as it does involve a constitutional departure . . . it is the logical and inevitable development of what has been taking place in this country for the past five, ten, twenty, thirty years; it is the logical and inevitable development of the work of our soldiers overseas, of our status under the Peace Treaty, and of the present position of Canada within the British Empire and in the world. In the course the Government have taken, just as at the Peace Conference, the Government are carrying out not only the judgment of Parliament, but the judgment of the people of Canada . . . Canada is to-day associated with the Mother Country and the other Dominions in a great League of Nations and a common Sovereign—the strongest and most influential factor for the preservation of the world's peace that exists to-day. And it is of vital moment that good relations should be preserved between Canada and the British Empire as a whole and the United States, the other great branch of the Anglo-Saxon race. . . . I believe that a Canadian representative in Washington, meeting and talking with representatives of the American Government and dealing with problems common to both, will make for strengthening the good relations that now exist between the two countries, will make not only for their maintenance in the future, but should help to remove some of the misunderstandings that from time to time arise between some people in the United States and some people in the Mother Country. The whole effect should be to strengthen and bind together nations having so much in common in their history, in their traditions, in their ideals and in their common love of democratic government and free institutions."

Mr. Ernest Lapointe (*Liberal, Quebec East*), in supporting the amendment moved by Mr. Fielding, said that as far as he was concerned he would readily admit anything that looked like national self-assertion. Anything which advanced Canada along the road to nationhood appealed to him. As General Smuts said last year, in a figurative way, "The British Empire ended in July or August, 1914," that is, that all the countries under the British flag were sister nations, the word "Empire" meaning a dominant State with subordinate States. But they must know exactly where they were going, because the body that was responsible to the Canadian people for any such

important step as this was the Canadian Parliament and not the Committee of the Privy Council.

Need for Parliamentary Discussion.

If men who desired a solution of the constitutional relations between the Mother Country and the various parts of the Empire stated that the only way for the Dominions to have a voice in their foreign affairs—if they did not desire independence—was the establishment of an Imperial Parliament which would have control of those representations in the foreign country, such a step as the one that had been adopted should have been submitted to Parliament for full discussion before it was entered into. That was specially the case when they had been told for the last two years that immediately after the war an Imperial Conference would be called for the purpose of considering and settling all the constitutional changes which were desirable in the relations between the Mother Country and the various Dominions of the Empire. Why did not the Government wait until this Conference had been held before taking a step that might be very important, because when this Conference took place some people might say: Here is an accomplished fact; the Dominions have already a voice in their foreign affairs; and that being so they must agree to some Parliament or Council or Cabinet to which these diplomatic representatives should be responsible.

It was said that the Canadian representation at Washington would automatically replace the British Ambassador when he was absent. If that representative was appointed by them, surely they would be responsible for his actions. "Will the people of Canada," asked Mr. Lapointe, "be responsible for all the actions of that representative when he acts in the capacity of the British Ambassador in the absence of the regular Ambassador? . . . If the Canadian representative acts as British Ambassador surely the British Parliament or Government will have something to say in the selection of that representative, and he cannot be selected on the recommendation of the Canadian Government only?"

Constitutional Relations.

The Prime Minister (the Right Hon. Sir Robert Borden) said that he did not propose to enter into the great question of the future constitutional relations of the Empire. That subject would be discussed at a great Constitutional Conference, not called this year, but perhaps next year; and he hoped that at that Conference both sides of the House, whatever party might be in power, would be represented. He would be a

bold man who would undertake to set forth the precise lines upon which the constitutional relations of the different nations of the Empire to each other and to the Mother Country would be based in the future. On the other hand, he thought he would be a timid man who was not confident that the problem was not insoluble, and that those relations would be worked out in such a way as to give to every nation of the Empire its adequate voice and place in the Britannic Commonwealth. The proposal amounted to this : that a country like Canada, with eight and a half to nine millions of people, bordering the great Republic to the south for four thousand miles, and far more intimately associated with that country than with any other country outside the British Empire, should have its representative in the Embassy at Washington which represented the whole Empire.

The Government which was in power before 1911 concluded a Treaty with the United States under which three Canadians were appointed to act with three men appointed by the United States Government in respect to all matters under the control of the International Joint Commission. What were these men but Ambassadors ? When Mr. Fielding went to Washington in 1911, he was an Ambassador sent on behalf of Canada to the United States for the purpose of negotiating a Treaty.

If the Canadian Minister at Washington in the absence of the British Ambassador carried on negotiations with the United States Government, the people of this country would be responsible to precisely the same extent as if the British Ambassador himself had carried on the negotiations.

Interests of Canada.

After explaining that the confidential nature of the correspondence and consultations precluded their disclosure to the House, the Prime Minister stated that when he was abroad last year the subject was discussed not only with members of the British Government, but with some members of the other Dominions of the Empire, notably with the Prime Minister of Australia.

“ Let me pay a tribute,” said Sir Robert, “ to every British Ambassador with whom I have been associated as Prime Minister—Lord Bryce, Sir Cecil Spring Rice, Lord Reading. I found every one of them eager to do everything within his power to maintain the interests of this country ; but Lord Bryce himself told me that three-quarters of the work transacted by the Embassy at Washington had relation to the interests of Canada. . . .

“ Perhaps there are no two nations in the world,” concluded the Prime Minister, “ between whose people a more

perfect comprehension exists at the present time than between the people of Canada and the people of the United States. Thus I venture to think . . . that this proposal to have a Canadian at Washington acting, not in opposition to, but in co-operation with the British Ambassador, will tend not only to the good of this country, but to a more perfect understanding and better relations between the Empire of which we form a part, and the great Republic of our kinsmen to the south."

Possible Dangers.

The Hon. W. L. Mackenzie-King (Liberal, Leader of the Opposition) declared that it was a mighty bad beginning in a new departure if their foreign policy—because this was a venture in foreign policy—was to be bound up with secrecy from the start. They were driving into the very vortex that created the whole situation in Europe. In Great Britain, in Australia and in the other Dominions they found expressions of opinion questioning the wisdom of this arrangement without any light or information upon it.

What the Government had consummated in this transaction was something far different from a proposal to establish a permanent representative of Canada at Washington. A Minister Plenipotentiary was to be appointed who, to all intents and purposes, would be the British Ambassador at Washington during the time when the British Ambassador might be absent from duty. No one could say what questions might come up while the Canadian Ambassador was acting as British Ambassador. Was there anyone who believed that a step of that kind was going to be free from all kinds of possible danger? What seemed the more reasonable course was the middle one, that in matters between Canada and other countries Canada should manage her own affairs, and that in matters between Great Britain and other countries Great Britain should manage her own affairs, always when necessary with co-operation and conference between the two.

"Let us assume," Mr. Mackenzie-King submitted, "that the British Minister is away and it happens that the Canadian plenipotentiary has been acting when, perchance, a mistake is made. . . . Are the British Government going to recall the Canadian Minister? They cannot do that; he does not belong there; he belongs here. Are they going to recall the British Ambassador? He is not responsible. . . . These are complications which suggest themselves. . . . I do not believe that, proud as the Canadian people are of their status as a nation, they would wish to have any representative of this country go to Washington and deal with questions that affect all parts of the British Empire in their

relations with the United States, questions which may relate to the different countries of Europe, questions which may grow out of conflicting matters that come to the fore in connection with the League of Nations, of which the United States is not yet a member and may not be a member for some time to come."

The Minister of Trade and Commerce (the Right Hon. Sir George Foster) held that so far as the Canadian representative was acting for Canada he took his instructions from the Canadian Government alone. In so far as he was acting as an Ambassador for the British Government in the absence of the regular Ambassador, he took his instructions from the British Government and he was responsible to that Government for the way in which he carried them out. Co-operation, counsels of wisdom and of experience should, and he supposed always would, be perfectly common between the two, but the British did not interfere in respect to matters purely Canadian, and the Canadian plenipotentiary did not interfere in matters purely of Imperial concern. "The supreme fact," he declared, "in the constitutional progress and growth of the British Empire and of its outlying parts has been that these successive steps have been taken, each one adding liberty, power and importance to the outlying portions, each step also adding strength, unity and solidarity to the Empire fabric as a whole, and that the fears of the timid fortunately did not outweigh the strong inspiration and hope of the courageous ones who took the part that progress seemed to indicate, and trusted to the good sense, the strength and the capacity of the people of the Empire to guide in ways that would be advantageous and to avoid results that would be hurtful."

The Hon. Rodolphe Lemieux (Liberal, Maisonneuve, Que.) complained that the Ministers of the Crown during the last five years had been so often away from Canada, had so often approached the round-table clubs, and the Imperial Conferences, had kept so near the great Imperial statesmen that they had come to believe that they were no more responsible to that little Dominion, to that little Colony, Canada, but that they were only responsible to the Imperialistic party over in England.

Conflict of Interest : Sharing Responsibility.

Did his hon. friend the Minister of Trade and Commerce know that in international law only independent countries could appoint Ministers Plenipotentiary and Ambassadors? They could not appoint a Consul. He dared say that the British Consul in Washington would have more power and influence than the Canadian Minister Plenipotentiary. What

the people of Canada were in need of to-day was a keen trade commissioner, looking for wider markets in the United States. The Government ought to know that by the appointment of that so-called Minister Plenipotentiary, Canada sooner or later might be involved in grave international problems. Was it not likely that conflicts of interests were likely to arise between even the Mother Country and Canada? Recalling the Alaskan boundary award, Mr. Lemieux said that they all knew that Lord Alverstone, who at first committed himself in favour of Canada, soon took another course and joined the American majority. If they read the history of their difficulties—as between Canada and the United States—they came to the conclusion that the best way was to settle them themselves and not be associated with others.

Mr. Asquith, answering the Prime Minister of New Zealand in 1911, stated in his own blunt English way that as regards foreign affairs the responsibilities of Great Britain could not be shared with the Dominions. That was the A B C of international law. “Do not,” declared Mr. Lemieux, “meddle in the affairs of the Mother Country, and the Mother Country will let us govern ourselves. We have governed ourselves during the last seventy-five years according to British traditions. Do not accustom the people to think that the Ministers of the Canadian Government are viewing with a light heart the loosening of the moorings which bind us to the Mother Country.”

The Minister of Justice (the Right Hon. C. J. Doherty) declared that Canada was not going to appoint a Minister Plenipotentiary, but His Majesty the King, who was the King of Canada just as much as the King of the United Kingdom, upon the advice of his constitutional Canadian advisers, was going to appoint a Minister Plenipotentiary to be his representative at Washington, so far as Canadian matters were concerned.

In a conflict of interests it would be the duty of both Ambassadors to refer the matter to their respective Governments. Then it would be for the Governments of the self-governing nations of the Empire to get together and give instructions to their respective representatives, and above all to give to the representatives of the British Empire the instructions that rested upon the conclusions coming from the consultation of all the nations of the British Empire.

They had gone further because they were advancing further than those who had preceded them. There was just as earnest determination to hold together this aggregation of nations of which Canada was one—not a dependency, but a nation standing on that footing of equality that she could just as well furnish the British Ambassador as representing

the entire Empire as the United Kingdom could. There was nothing incongruous in a Canadian Minister being the representative from time to time, if not permanently, for the matter of that, of the British Empire, if it was thought wise by the other component parts of the British Empire.

To a question put by the **Hon. H. S. Béland** (*Liberal, Beauce, Que.*) as to whether the recommendation of the Canadian Government for the appointment of a Canadian Minister Plenipotentiary would go direct to His Majesty without first being submitted to the British Government, the **Minister of Justice** replied that he was not suggesting that it was impossible that, if the Ministers of the United Kingdom saw some reason why they should offer objection, or possibly the Ministers of other Dominions saw some reason for opposition, they could suggest it. The proposed channel by which the advice got to His Majesty did not alter the fact that it would be the advice of His Majesty's Canadian Ministers. As far as he understood it the Canadian Government was supreme as the adviser of His Majesty.

Mr. Fielding's amendment was negatived by 68 to 63 votes.

SPA CONFERENCE: CANADIAN REPRESENTATION.

On the Orders of the Day for 20th May,

The Prime Minister (the Right Hon. Sir Robert Borden) said: "On the 18th instant the hon. Member for Laurier Outremont (Mr. Du Tremblay) asked me a question with regard to a special Conference of the Allies to be held shortly at Ostend to consider the financial question affecting the Allies. The hon. gentleman desired to know if the Government had been invited to attend that Conference and if Canada would have a representative at it, to which question I gave an answer in the affirmative. I find on looking at the official records, however, that we have no official notification of any Conference at Ostend. The Conference which I had in mind is one which is to be held at Spa of which we have been notified, and to which we have been asked to appoint a representative. In response to that request we have appointed Sir George Perley."

WAR INDEMNITY—CANADA'S SHARE.

In reply to a question by Mr. P. R. Du Tremblay (*Liberal, Laurier Outremont, Que.*), on 9th April, as to whether there was still expectation that Canada would receive an indemnity from

Germany, or possibly from England as some compensation for her sacrifices in case Germany failed to pay, **the Acting Prime Minister (the Right Hon. Sir George Foster)** stated that the amount that Canada would receive in the end would depend upon the amount of the indemnity that these enemy Powers would be able to pay, the time at which it was paid, and the share that would come to Canada in participation with the other Entente Powers that were engaged in the war.

Replying to Mr. T. Hay (Unionist, *Selkirk, Man.*), on 21st April, as to whether any definite claim had been made by Canada for an indemnity and whether it was true that Australia and other British Colonies had received additional territory by way of indemnity, **the President of the Council (Hon. N. W. Rowell)** said: "The Treaty of Peace limits and defines the classes of claims which may be presented by the Allied and Associated Powers against Germany, and in so far as Canada has expended money or incurred obligations covered by this Treaty, Canada has a claim. . . . The amount of this claim is now being computed for presentation to the Tribunal created under the Treaty of Peace.

"Australia, New Zealand and South Africa will be named as mandatories under the League of Nations with respect to certain territories which Germany has been required to surrender."

NAVAL DEFENCE OF THE EMPIRE.

The Minister of Naval Affairs made a statement upon the naval policy of the Government in the House of Commons on 14th June, 1920.

DEBATE IN HOUSE OF COMMONS.

The Minister of Naval Service (Hon. C. C. Ballantyne), on a motion for the House to go into Committee of Supply, asked to be permitted to give some details to the House regarding the naval expenditure of the Government, and also in reference to matters of future policy.

Negotiations with the Admiralty.

At the Imperial Conference in London in 1918 which he attended, in company with the Prime Minister and others of his colleagues in the Government, the question of naval policy, either for Canada or the Empire, was not discussed. "Certain

negotiations, however," continued Mr. Ballantyne, "took place between the British Admiralty and the overseas representatives who were in London at the time. I myself, on certain occasions, discussed the naval defence of Canada with the First Sea Lord and also with the First Civil Lord. I also had the good fortune to have my right hon. friend the Prime Minister accompany me on one occasion, when he reviewed the whole situation frankly and fairly. As a result of those conferences with the Admiralty a meeting of the Overseas Prime Ministers was held at the Savoy Hotel, London. Sir Robert Borden occupied the Chair at that meeting, and after full discussion a Memorandum was prepared, passed upon, and sent to the Admiralty, its date being 15th August, 1918."

Memorandum on Dominion Naval Policy.

Mr. Ballantyne then read the Memorandum which, he said, received the approval of all the Overseas Prime Ministers with the exception of the Premier of Newfoundland (who did not happen to be present at the Conferences), and in which the following conclusions were submitted:—

1. The proposals set forth in the Admiralty Memorandum (of 17th May, 1918), for a single Navy at all times under a central naval authority are not considered practicable.

2. Purely from the standpoint of naval strategy the reasons thus put forward for the establishment of a single Navy for the Empire under a central naval authority are strong but not unanswerable. The experience gained in this war has shown that in time of war a Dominion Navy (*e.g.*, that of Australia) can operate with the highest efficiency as part of a united Navy under one direction and command established after the outbreak of war.

3. It is thoroughly recognised that the character of construction, armament and equipment, and the methods and principles of training, administration and organisation, should proceed upon the same lines in all the Navies of the Empire. This policy has already been followed in those Dominions which have established naval forces.

4. For this purpose the Dominions would welcome visits from a highly qualified representative of the Admiralty who, by reason of his ability and experience, would be thoroughly competent to advise the naval authorities of the Dominions on such matters.

5. As naval forces come to be developed on a considerable scale by the Dominions it may be necessary hereafter to consider the establishment for war purposes of some supreme naval authority upon which each of the Dominions would be adequately represented.

As a result of this Memorandum, proceeded Mr. Ballantyne, Admiral Viscount Jellicoe was instructed by the British Admiralty to visit the Overseas Dominions. The Government carefully considered the lucid and useful suggestions contained in his report, but in view of the conditions which he (Mr.

Ballantyne) mentioned to the House some weeks ago, they decided to defer taking action on them for the present.

Government's Naval Policy.

The Minister then read the statement on the Government's policy (*vide* the JOURNAL OF THE PARLIAMENTS OF THE EMPIRE, Vol. I., No. 2, page 329), and said that he had nothing to add to that except to say that it was the Government's official statement on naval affairs at the present time. "I wish it very clearly understood," declared the Minister, "that any reference I may make during the course of my remarks on naval affairs will not be partisan, but will, I trust, be made from the national viewpoint, and that alone." In 1910 the Government of the day, under the late Sir Wilfrid Laurier, placed upon the statute book what was known as the Naval Service Act. By so doing Canada notified the Old Country that thenceforward she would undertake to the best of her ability the defence of her own shores, and would also bear whatever expense might be incurred in maintaining a naval service for the Dominion. After citing the salient points of the Act, Mr. Ballantyne continued: "The Government must recognise at all times Canada's solemn obligations, and carry out the main policies of the legislation that was placed on the statute book in 1910, although perhaps on a much reduced scale."

Naval Effort in the War.

The Minister then described the war services of the "Niobe" and the "Rainbow," and said that a very active recruiting policy was carried on to get the necessary officers and men; as a result, 6,452 of all ranks were enrolled for the Canadian Naval Service, while 1,700 were enrolled in the Royal Canadian Naval Volunteer Reserve (Overseas Division), and sent to England where they served in the Imperial Navy. This was done at the request of the Imperial Government. The Naval Service of Canada had to provide all the supplies necessary, not only for their own ships, but also for the ships of Great Britain and her Allies operating in the vicinity of the Canadian coasts. The total expenditure for naval purposes in the year 1918 amounted to the large sum of \$33,367,433.09.

The number of Canadians now in the Naval College was 45, and the Canadian Government had agreed that each year they should send, at the expense of Canada, eight of those cadets to be trained in the Imperial Navy, so that from time to time as occasion arose, when they required officers on their own ships, they should be able to recall from the Imperial

Service those young Canadian officers who would have received a thorough training in the large fleet of the Home Government.

Imperial Government's Gift.

Referring to the generous gift of the Mother Country to Canada, consisting of one modern light cruiser (4,800 tons), two modern destroyers and two modern submarines, Mr. Ballantyne said that arrangements had also been made with the Admiralty for the interchange, as time went on, of their ships and of their officers, if necessary. "I do not want to think of war," Mr. Ballantyne continued, "any more than any other hon. member of this House, but if Canada is going to spend a certain number of millions each year on her naval service, it is her bounden duty to see that that Naval Service is efficient, and that it is kept up to the standard of the Home Fleet, and it is the policy of this Government and of the Naval Service Department to see that this is done."

The Empire's Naval Contributions.

It might interest the House, Mr. Ballantyne thought, to know something of what their sister Overseas Dominions were doing in the matter of providing their own naval defence. Australia had what they called the Royal Australian Navy. It consisted of one battle cruiser, three light cruisers, and one building, one flotilla leader, eleven destroyers, six submarines, etc. The expenditure amounted to \$15,000,000. He understood that Australia was considering quite a considerable extension to her present fleet. The little Overseas Dominion of New Zealand gave in 1913 a battleship to the Imperial Government at a cost of \$10,000,000, the Malay States contributed to the Imperial Government a battleship costing \$12,000,000, and the South African Government contributed annually \$500,000 to the maintenance of the Imperial Fleet. Therefore the very smallest Canada could do in these times of peace was to contribute the very small amount that the Government was now asking for—\$2,500,000—for the important service he had referred to.

Expenditure in the United Kingdom.

Turning to the Mother Country, Mr. Ballantyne said that fortunately, as a result of the war, there existed no enemy navy; the only existing navy that now approached the strength of the British Navy being that of the United States, and competition in this regard as between the two great English-

speaking nations of the world was unthinkable. Nevertheless, the estimate provided for an expenditure this year of \$482,950,905, as against \$267,866,305 provided for in 1914-15. "I am merely citing these expenditures," he explained, "to prove that the Old Land is carrying a heavy load, and naturally looks to the Overseas Dominions to relieve them in so far as they possibly can of this expenditure. To what extent the Dominions will participate in the naval defence of the Empire will, I hope—and in expressing that hope I feel that I am also expressing the hope of the Imperial Government—be determined at the Imperial Conference to be held in London in 1921. It is to be sincerely hoped that Canada, as a result of that Conference, will adopt a permanent naval policy in keeping with her position as a self-governing nation within the Empire, and in many respects the most important. Aside from every consideration, either sentimental or other, she ought to take measures to ensure that her long coast lines and important seaports, as well as her Merchant Marine, should be amply protected at all times and against any eventuality."

Views of the Opposition.

The Hon. W. L. Mackenzie King (Liberal, Leader of the Opposition) was sure the people of the Dominion got the impression some months ago that the Government meant to do nothing by way of a naval policy until after the Imperial Conference. He found it difficult indeed to regard the acceptance of these ships, involving the personnel mentioned and their maintenance, as other than an expression of naval policy. The people of Canada had a right—through their representatives in Parliament—to say whether or not at this time the country should be committed to an expenditure such as the Minister had announced they were to be asked to meet. He thought that a wave of indignation would sweep over the Dominion when the statement went forth that, now that the war was over, at a time when they were considering in what way they could retrench on naval and military expenditure, the Government had announced an expenditure such as that which had been mentioned to-day. He believed that Canada should assist in naval matters—in coast defence and co-operation in other ways; but the country had a right to have its policy determined on the floor of Parliament and not in the secret councils of the Cabinet. They placed Parliament in the position of being obliged either to refuse to accept ships which the Government had already accepted, or else to undertake a commitment which was only the beginning of the spending of many millions on matters pertaining to naval defence.

Discussion in Committee of Supply.

The House having gone into Committee of Supply,

The Hon. Henri S. Béland (*Liberal, Beauce, Que.*) complained that the country was now asked entirely to ignore the announcement which the Minister made in March, that their naval expenditure would be considerably reduced during the coming year. This expenditure was not for any new naval policy at all; it was only an *avant-gout* of what was going to happen. If \$2,500,000 was going to be spent when no naval policy had been adopted, and when no Imperial Conference had been held, what amount would the Minister ask for when the great official Imperial Naval Policy was launched? The Government should at least have waited until it had a definite naval policy to place before the country.

Mr. H. M. Mowatt (*Unionist, Parkdale, Ont.*) declared that the statement that they were not to take their part as a nation, that they were not to support other nations of like mind to themselves, was received not only with concern, but with feelings of shame by the people. The country had been educated to the idea that Canada should support her own navy. Instead of having obsolete ships of which they were not at all proud, no matter what good work they did during the war, they should, with this new service, have modern, up-to-date efficient ships, on which their own men might get training and become better sailors and gunners than they had had before.

The Hon. W. L. Mackenzie King stated that in his report Lord Jellicoe said, "The German menace has now disappeared." The condition as regarded naval defence was therefore to-day entirely different from what it was in 1911, at the time when the naval policy was launched. When war broke out, if they had had a fleet on the Atlantic and on the Pacific, as was planned under that policy, it was difficult to say what splendid part Canada might not have played on the sea as well as on the land in the great war.

The point they were taking exception to was not that Canada should do something by way of naval defence. Their criticism was directed against the change of attitude on the part of the Ministry in regard to what Canada should do, and when she should do it.

The Minister of Naval Service explained that the minimum scheme placed before the Government (by Lord Jellicoe) involved an expenditure of \$10,000,000, extending over a number of years up to 1925 or 1927. Admiral Jellicoe stated in his report that the ships would be a gift to the Canadian Government. Inasmuch as the Government could not see its way clear to incur such heavy expenditure, they had to re-open

negotiations with the Admiralty to see if they could get the one cruiser and the two destroyers, and when he made his announcement on 5th March those negotiations had not been completed.

The Hon. Rodolphe Lemieux (*Liberal, Maisonneuve, Que.*) said that now the war was over, when Canada was facing financial liabilities to the amount of nearly three hundred million dollars, whilst he was in favour of the Laurier policy, which was defeated at the polls in 1911, he was perfectly logical in stating that he could not stand for it to-day in view of the heavy financial commitments of the country. They had no fear to-day. If there was one fact pre-eminent in the war it was the superiority of the British Navy. A moment ago his hon. friend, quoting the words of the Right Hon. Walter Long, said that the only country in the world which could pretend to be a rival of Great Britain, in so far as a navy was concerned, was the American Republic. Every statesman of Great Britain had stated over and over again in the last thirty years, that in their computation of expenditure of the British Navy they always put aside the contingency of war with the United States. They had manifestly done their share for the Mother Country, and they should not come with this picayune tribute of \$2,500,000 a year to the British Exchequer.

On the Atlantic Ocean they had nothing to fear; with respect to the Pacific Ocean the treaty with Japan was about to be renewed; and he understood that to Australia had been assigned the duty of patrolling a certain zone in that ocean.

Mr. J. H. Burnham (*Unionist, Peterborough, W. Riding, Ont.*) declared that if he thought the Government at the present time were asking for this expenditure with any other idea than marking time, he would vote against it. But he knew they were only marking time in order that later they might develop a proper Imperial Naval Policy.

After some further discussion the Navy Estimates were allowed to stand in order to give hon. members opportunity to read the statement of the Minister of Naval Affairs in Hansard.

MILITARY EXPEDITION TO RUSSIA.

On 7th April, in answer to a question in the House of Commons by Mr. P. F. Casgrain (*Liberal, Charlevoix-Montmorency, Que.*), **The Secretary of State** (*the Right Hon. A. L. Sifton*) stated that the total cost to Canada of the Canadian Military Expedition to Russia had been \$2,823,960.98; 4,214 officers and men were sent out, of whom 4,047 had returned.

There were nineteen casualties, consisting of three men accidentally killed and 16 died of disease.

The cost of all supplies, ammunition, etc. (except the initial issue of personal equipment and clothing for the Canadian personnel) was borne by the Imperial Government, which assumed responsibility for the same upon shipment from Vancouver.

FRENCH CONVENTION.

In reply to a question by Mr. Fernand Rinfret (Liberal, *St. James, Montreal*) on 29th April, the **Minister of Trade and Commerce (the Right Hon. Sir George Foster)** stated that notice of repeal of the Trade Treaty between Canada and France was given on the 19th March and the treaty would therefore cease to have effect on the 19th June this year.

The Government had intimated to the French Government its willingness to confer on new trade relations.

ALIEN IMMIGRANTS AND CANADIAN CITIZENSHIP.

On 29th March, Mr. M. Steele moved the following resolution in the House of Commons :—

“That in the opinion of this House it is essential for the future national welfare of Canada that appropriate measures be taken by the Government to fit and prepare all immigrants of alien origin for assuming the duties and responsibilities of Canadian citizenship.”

DEBATE IN HOUSE OF COMMONS.

Mr. M. Steele (Unionist, South Perth, Ont.) said that for many years they had been receiving large numbers of newcomers, representing practically every nationality and every known tongue, every variety of dress and embracing both sexes and all ages—this motley crowd speaking eighty-five languages and dialects and representing fifty-three nationalities. In the ten years from 1906 to 1915 inclusive there arrived more than 2,500,000 who came ostensibly to make this land their home, some temporarily, many of them permanently. They came, he believed, nearly all actuated by one idea—to live under better conditions than those which they had experienced in their home lands. But they knew nothing of Canadian life,

laws or customs. About one-third of the two and one-half millions were from the Continent of Europe. So far as citizenship was concerned they had treated these people with utter neglect. Perhaps the war did something to wake them up from the lethargy into which they had fallen in this regard. It assisted them at least in seeing that the condition that had been produced in this country by the receiving of this vast army of foreign people might give rise to a menace. Within the last five or six years the United States had organised a vast effort for the purpose of Americanising their people. If it was important that this Parliament should by legislation in the form of an Immigration Act take all necessary precautions to exclude undesirable immigrants from their country, surely it was of even greater importance that they should endeavour to reduce to as small a number as possible the undesirables who were now in their midst. During the twenty year period from 1900 to 1919* there were received in Canada 3,311,498 immigrants, of whom 1,188,946 were British, 1,268,793 American born, and 853,039 from other countries, but all of non-English parentage. This meant that in the past twenty years they had had to absorb a number equal to twenty-five per cent. of their total population. He thought that everyone would admit that the people who came to their land, especially those intending to make Canada their home, should become naturalised citizens. "Whatever policy is adopted in Canada," declared Mr. Steele, "should have for its sole object the making of Canadians who will be absolutely one hundred per cent. Canadian in spirit." There were three prime requirements in their methods of dealing with the foreigners who came to their shores. They must fit them for industrial life, they must fit them for naturalisation, and they must fit them for the franchise. He would therefore urge the need and the wisdom of the Federal Government undertaking a thorough and extensive Canadianisation programme which, with the aid of the provinces and municipalities, would produce results which would materially promote the future unity and prosperity of their people.

Mr. S. Charters (Unionist, *Peel, Ont.*), in supporting the resolution, stated that in 1918 the registration made of all males over sixteen years of age showed that there were 110,000 Austrians, of whom 70,000 still retained their nationality; 32,616 Italians, 27,000 of whom had not been naturalised; and 47,777 Chinese, of whom only 625 were naturalised. This was evidence that the foreign population were not there

* In reply to a question by Mr. J. F. Johnston (Unionist, *Lost Mountain, Sask.*) in the House of Commons on 12th April, the Minister of the Interior (Hon. A. Meighen) stated that during 1918, 50,270 immigrants entered Canada, and during 1919, 117,633.

for the purpose of becoming Canadianised, but rather for the purpose of making what money they could and, in the majority of cases, returning to their native land.

After alluding to the pernicious literature that was being circulated by the foreign element, Mr. Charters said that it was the greatest mistake to bring in such a very large number of people. They must bring in picked people—men who were in sympathy with Canadian aims, and with its British institutions. He would suggest that the Government should deport all foreigners found engaged in unlawful agitation. The Government should assist by substantial federal grants the provincial authorities in the education of the children of foreigners.

Mr. H. H. Halladay (*Unionist, Bow River, Alta.*) thought that the Government would be well advised to start a Federal Department of Education for the purpose of bringing together the heads of the Departments of Education in the different provinces, and formulating, if possible, some uniform plan.

Mr. H. C. Hocken (*Unionist, Toronto West, Ont.*) held that the Canadianising of the foreigners of the country was a federal responsibility and one of the most important things the Government had to do. In many sections of Western Canada the electors of foreign birth were in control of local affairs; they exercised a great influence on provincial policies and formed an important element in deciding the policies of the Dominion. In those sections of the West where they were segregated into isolated colonies, it was not surprising that they should be very slow in acquiring anything like an adequate knowledge of the duties of Canadian citizenship.

Mr. F. D. Stacey (*Unionist, Fraser Valley, B.C.*) declared that it was not necessary to relieve the old nations of any surplus population which they might have. If they desired to have immigrants who would make a distinct contribution to the national life of the country it followed that they must reject those who were either physically, or mentally, or morally, or socially, unfit to make such a contribution. That had been, he believed, the recent policy adopted by the Government of Canada. The underlying and perhaps the basic solution was to be found in the public school system of the Dominion. There had to be taken into very serious consideration the question of further permitting the immigration of the Oriental. Was British Columbia to be maintained for a white Canadian citizenship or was it to be held in reserve for the Oriental population? If the former was conceded then the influx of the Oriental must be restricted. Another great question was, "Shall we any longer permit land to be held in fee by the Oriental or should he even be allowed to lease it?" He recognised the fact that the settlement of this question

might involve somewhat serious international complications. At present there was no prospect whatever of those in the far West being able to make some provincial contribution to the Canadianisation of their entire citizenship, if any large immigration on the part of settlers and residents from the Orient was permitted.

The Minister of the Interior (Hon. Arthur Meighen) said that it was a matter of major consequence to the country that in the western provinces there lived to-day a population forty per cent. of which was non-Anglo-Saxon-born and very little relatively French Canadian. A great proportion of the balance was of those born in the United States of America. These two classes of immigration had been so great that they found two of their western provinces to-day populated to the extent of virtually seventy per cent., and more in one case, by non-British born. On the whole a fairly useful class of citizens had come into that land. The immigration from countries who were the enemies of the British Empire was large and constituted over half of the non-Anglo-Saxon population. That Canadianisation of the immigrants in Canada was a necessity, all of them frankly and enthusiastically admitted. But only by slow degrees could their foreign-born population grow to the full status of Canadian citizenship. They could not possibly take care of more than a certain flow of immigration. In recent years the policy of the Government had been to contract and to select, rather than to follow the open-door policy of days gone by. The task of Canadianising the foreign-born was fundamentally and solely a question of education, but in all matters that were essentially educational, the immediate jurisdiction must constitutionally be provincial. He believed that the Minister in charge of the department (of Immigration and Colonisation) had more or less definite plans in mind for dealing with the problem. But it seemed to him that if they were to get revenues from provincial channels, it would be wise to reflect whether it would not be better to leave the provinces full responsibility for obligations which were distinctly theirs, and at the same time leave them means for providing the revenue to meet those obligations.

After further discussion, Mr. Steele's motion was agreed to.

NATURALISATION—BELGIANS, FRENCH, TURKS, AND GERMANS.

In reply to a question by Mr. H. Deslauriers (Liberal, *St. Mary, Que.*), in the House of Commons, on 7th April, The Secretary of State (the Right Hon. A. L. Sifton) stated

that a despatch from the Colonial Office, dated 21st April, 1915, forwarded a note from the French Ambassador in London requesting that French citizens should not be naturalised during the war. By an Order in Council dated 3rd June, 1915, it was directed that in so far as the issue of certificates under the Naturalisation Act, 1914, was concerned, the request of the French Ambassador would be acceded to. Similar requests were received from the Russian and Italian Governments. In these circumstances the Secretary of State, in his discretion, decided not to issue certificates of naturalisation to Allies during the war. However, since the ratification of the Treaty of Peace with Germany certificates of naturalisation had been issued to all applicants who had complied with the conditions laid down by the Naturalisation Act, 1919.

As to the granting of patent to homesteaders on Dominion lands who left Canada to serve in the forces of Allied Nations before they had completed the five years required for naturalisation, it had been decided in such cases to allow patent to issue without demanding a certificate of naturalisation.

Certificates of naturalisation had been granted to Turks of Syrian and Armenian origin since the Armistice, but no such certificates had been issued to persons of German origin.

As regarded the issue of patents for homesteads, it might be stated that 10 George V., chapter 13, provided a means whereby alien homesteaders, who had completed their settlement duties, but who were debarred from naturalisation for a period of ten years from the close of the war, might secure patents by showing that they were qualified for naturalisation in all other respects.

WEST INDIES CONFERENCE.

Replying on 31st May to a question by the Hon. Rodolphe Lemieux (Liberal, *Maisonneuve, Que.*),

The Minister of Trade and Commerce (the Right Hon. Sir George Foster) stated that the object of the present Conference in Ottawa between the delegates of the West Indies and the Canadian Government was briefly as follows: In 1912 a Conference was held which resulted in the arrangement of a ten years' reciprocal trade agreement between Canada and the West Indies. That agreement had still two years to run. Transport and cable facilities were also arranged for at the same Conference. It had been considered wise that they should meet together a little in advance of the time when the old arrangement would expire, to take into consideration

exactly the same subjects, so that what was being considered at the present Conference was, first, the trade relations of the two sections of the Empire as regards preference and objects or lists of preference ; second, the improvement of transport facilities, both as to passengers and freights ; third, the improvement of cable facilities. Those were the three matters and those alone which were under consideration.

In reply to a further question by Mr. Lemieux, the Minister stated that the Government was not responsible for individual or associated campaigns, real or fictitious, for annexation.

THE BUDGET.

The annual financial statement was delivered by the Minister of Finance in the House of Commons on 18th May, 1920.

DEBATE IN HOUSE OF COMMONS.

The Minister of Finance (Hon. Sir Henry Drayton) said that the cost of Government operations as well as the carrying on of every business of every character in the country had increased enormously, and above this the country was faced with a pyramid of debt. Their duty to-day was not only to carry on the Government of the country without any addition to the debt, but on the other hand to promote measures which would reduce the nation's obligation.

General Position.

For the five fiscal years ended on 31st March, 1915, the excess of the country's imports over exports amounted to \$825,521,490. For the next succeeding five years our exports exceeded our imports by a sum of \$1,803,442,233. It was plain in view of such a tremendous productive and industrial exploit, that if anything like the same effort was made to overcome debts, and by overcoming debts to bring about a proper deflation of prices, credits, and circulation, the task would prove well within their powers.

Debt and Currency.

The country's gross debt was shown to be \$3,014,483,774.12 and the net debt \$1,935,946,312.85. The combined circulation showed a percentage increase of 108 per cent. Comparing these increases with those of other countries,

the circulation of Great Britain had increased 207 per cent. between 1914 and the end of 1919, while the circulation of the United States showed an increase of 70 per cent. from 30th June, 1914, to the corresponding date in 1919. Bearing in mind that Canada before the war had to borrow abroad to finance her own requirements, bearing in mind that during the war and since the Armistice she had not only financed herself but had also extended credits to other nations, the situation of the country's currency was remarkably good.

Trade.

Canada's external trade in 1919-20 resulted in a favourable balance of \$220,000. Their total imports from the United Kingdom amounted to \$126,274,000, which was \$53,000,000 greater than in 1919 and very nearly, as expressed in dollars, equalled their pre-war trade with the Mother Country. Her purchases from them totalled \$489,000,000, a decrease of \$51,000,000 from 1919. It was to be noted that the good old Mother Country very nearly doubled in March last the greatest amount of exports she had ever sent to this country. Exports to the United States amounted to \$464,000,000 while imports from that country reached the unprecedented figure of \$802,000,000.

After giving the revenue and expenditure for 1919-20 and the estimates for 1920-21, the Minister of Finance stated that the revenue of the year and the cash assets available should at least not only carry current expenditure, but certain debt.

Taxes.

The Minister went on to explain his proposals with regard to taxation :—

Luxury Taxes, etc.—Not only, he said, was more revenue necessary, but extravagant and luxurious expenditure ought to be checked. With this end in view it was proposed to levy excise taxes on certain specified articles. It had also been determined to increase the excise tax, which was chargeable both on Canadian and imported motor cars from 10 to 15 per cent., and to increase the duties on beer, wine and spirits.

Discussing the effect of these taxes on commercial treaties he said that under the terms of the French Treaty, silks, velvets, lace and silk embroideries were given a preferential treatment. Other countries, amounting to eleven and including Japan and Switzerland, making like importations, received the full benefits of the Treaty. The operation of the French Treaty ceased on the 19th June, and thereafter, subject to what further action might be taken when the tariff was revised,

these articles would take rates from 30 to 35 per cent. instead of the present rates ranging from 20 to $27\frac{1}{2}$ per cent.

Sales Tax.—In view of the necessities of increased revenues, a tax of one per cent. on the sales of all manufacturers, wholesale dealers, jobbers and importers was proposed.

Income Tax.—The income tax was substantially increased last year, so as to bring it up to the increased United States rates. The corporation tax was in like manner increased from 6 to 10 per cent. A difference of 5 per cent. in these individual and corporation taxes would not deter immigration and the investment of outside capital so essential to their national development and growth. It was therefore proposed to increase these taxes on incomes of \$5,000 and upwards by 5 per cent.

Business Profits War Tax.—Under normal conditions it would be hard to find any argument to justify the continuance of this tax, but supply had not yet caught up to demand, and the tax, at least, had meant that a substantial sum of money had been recovered for the country out of large profits. It had therefore been determined that it was impossible to stop immediately the imposition of the Business Profits Tax, which would be continued on a reduced scale.

Customs War Duty.—It was proposed to abolish entirely the $7\frac{1}{2}$ per cent. war duty.

The Tariff.

After stating that the tariff investigation had commenced, the Minister of Finance said that their policy called for a thorough revision of the tariff with a view to the adoption of such reasonable measures as were necessary (a) to assist in providing adequate revenues; (b) to stabilise legitimate industries, and to encourage the establishment of new industries essential to the proper economic development of the nation—to the end that a proper and ever-increasing field of usefulness and remunerative employment be available for the nation's workers; (c) to develop to the fullest extent their natural resources; (d) to promote especially and increase trade with the Mother Country, the sister Dominions and Colonies and Crown dependencies; (e) to prevent the abuse of the tariff and the exploitation of the consumer; and (f) to safeguard the interests of the Canadian people in the existing world-struggle for commercial and industrial supremacy.

The principle of trade preference between the different members of the Britannic Commonwealth should be maintained and extended from time to time to such degree as might be found practicable and consistent with Canadian interests.

The Minister concluded by giving notice that he would move resolutions embodying the proposals adumbrated in his statement.

The Hon. W. S. Fielding (*Liberal, Shelburne and Queen's, N.S.*) said that they were beginning to feel the effects of the withdrawal of the vast sum of money from ordinary fields of activity. In order that local capital might be made available for the development of local interests, he trusted that when the moment came for another loan the conditions would be such that the Minister of Finance would not have to raise it at home but would get it somewhere abroad.

In giving figures illustrating the financial position of the country Mr. Fielding stated that in 1914 the revenue per head was \$21.12; in 1920, \$36.11; in 1914 the total expenditure per head was \$24.11; in 1920, \$75.01; in 1914 their net debt stood at \$43.49 per head; in 1920 at \$215 per head. They should make an effort to pay off the public debt even though that involved heavy taxation; they should endeavour to grapple with the question as it was grappled with by the Chancellor of the Exchequer in England.

Turning to the subject of tariff revision, Mr. Fielding declared that Free Trade was not a practical question in their tariff discussions of to-day. It would be well to remember that there never had been in the Dominion of Canada such a thing as Free Trade. It was not practicable, but if he had to engage in an academic discussion on the question of Free Trade *versus* Protection, he would hold up his hands for Protection. He would willingly help an infant industry, but as between Protection and bounties, he thought he would prefer the bounties. They knew that the historic policy was a policy of Protection for Protection's sake, and he did not believe it was any use to look to his Conservative friends for a sound tariff policy. While he would not fear dangers from a Farmer Government, he did not think they could look to that party for a sound tariff policy so long as they stood alone. They should turn back to the policy of the Liberal Party in 1911 and in that they would find the element of a sound tariff policy. He thought that they should have a larger measure of Tariff Reform than they were getting. There was unrest in the country; the high cost of living pressed upon all classes. Something should now be done in the way of reducing the tariff upon the necessities and comforts of life.

Amendment.

Mr. Fielding therefore moved, seconded by Mr. Mackenzie-King (Leader of the Opposition), an amendment to the effect

that as the public inquiry, promised in the Budget speech of 1919, into the operation of the Customs tariff, with a view to its general revision, had not taken place, the House was of opinion that, pending a wider revision of the tariff, substantial reductions of the burdens of Customs taxation should be made with a view to diminishing the very high cost of living and reducing the cost of the instruments of production in the industries based on the natural resources of the Dominion.

The Minister of Trade and Commerce (the Right Hon. Sir George Foster) stated that they had had two systems of taxation, one almost entirely predominating up to the present time, and that was the method of indirect taxation, by which the people paid heavily and did not know when they were doing so. They had now a judicious mixture of the two kinds of taxation. In their business profits tax, in their income tax, they had examples of the direct method. They added to these now their sales tax on luxuries and other articles.

Mr. A. R. McMaster (Liberal, Brome, Que.), continuing the debate on 19th May, argued that the system (of exchange) penalised goods coming from Great Britain, because these goods, in view of the exchange situation, and the manner in which it was handled by the Government, paid far more duty than they should pay. Imports from other countries ought rather to be encouraged than discouraged, because so long as Europe could not sell to them, as long as they had to buy from the United States, they were likely to see their dollar bill reduced in value as compared with the American currency, because the rate of exchange was not governed merely by the relations of trade between the United States and Canada, but between Canada and the rest of the world.

After criticising the proposed expenditure "at the close of a war which was to end war" on Militia and Defence, Mr. McMaster said that he would certainly advocate a direct levy on war wealth.

He believed that Protection was an evil thing and brought evil and not good to the people, the manufacturers and the Government of Canada, and that its influence throughout the world had been for harm.

The Minister of Marine (Hon. C. C. Ballantyne) pointed out that the Government of Australia had revised their tariff, not downwards, but upwards. When the election came in due time, in 1922 or 1923, the issue was going to be a clear-cut one. The issue by which parties were going to stand or fall would be: Moderate Protection *versus* Free Trade. He rather differed from his honourable friends when they said that this Free Trade policy of theirs, this new progressive policy, so-called, was a sound policy for Canada. If they said it was a policy for the three Prairie Provinces and one particularly

framed for their own interests, then he would agree with them. But if the farmers were to be prosperous in this country, then the manufacturers, the business men, the working men, and all the other classes must live under a policy that granted special favours to none, but which was framed in the national interests and for the benefit of the whole people.

Mr. W. K. Balwdin (*Liberal, Stanstead, Que.*) was of opinion that the admission of Newfoundland to this Confederation would be a decidedly forward step. They should trade not only with the Mother Country but with every other Dominion and Crown Colony in the British Empire in preference to any other part of the world. If the West Indies were more closely united with Canada, both would benefit to a surprising degree. To-day when the United States were advocating that Great Britain should sell those islands to the United States, it was about time for them to wake up. If they were sold by England to liquidate her indebtedness to the United States, where would Canada be? Under their present trade relations with the United States that country held Canada in one hand and the islands in the other.

Mr. R. J. Manion (*Unionist, Fort William and Rainy River, Ont.*) thought that the building up of an industrial population obviously supplied the home market for the farmer and therefore did indirectly benefit him. In 1913 England imported 105,000,000 hundredweights of wheat, of which Canada exported 20 per cent. The United States shipped 32 per cent. of the total, and the balance came from India, Argentine, Australia, and Russia. So Canada supplied one-fifth of England's wheat. In other words, Canada must compete with the whole world so far as wheat was concerned. Undoubtedly the home market would be preferable.

Mr. H. H. Stevens (*Unionist, Vancouver Centre, B.C.*), speaking on 20th May, stated that there were new methods of taxation in Great Britain practically every one of which was included in the Budget before them to-day. There was a vast difference between a levy on capital in Great Britain and a levy on capital in Canada. Great Britain had been for centuries the banker of the world, and there was concentrated in that country a great deal of liquid capital. During the war many individuals made huge profits which came to them in the form of liquid wealth. In Canada nearly every firm, nearly every individual that made money to any degree out of the war had invested their profits in the enlargement of their plants. How would they assess or take that wealth?

Another thought was this. In that great hinterland to the north of Edmonton in Northern Alberta, they were told, on the very best geological advice, they had oilfields equal to anything on this Continent. If that was the case, the Government

would be well advised to enter into partnership with any companies that might open up that country and engage in extracting from the ground the immense wealth contained in these oilfields.

Mr. O. Turgeon (*Liberal, Gloucester, N.B.*) declared, on 21st May, that Canada was more conveniently situated as regards Australia than were Great Britain or the countries of Continental Europe; they had convenient access to Japan and China, which was bound to develop amazingly during the next few years; they were more conveniently situated as regards South America than any European nation. And yet they were told they were not in a position to have Free Trade and to expand their commerce under that policy! It might be admitted that if radical changes were made in the tariff, they would not be able to raise sufficient revenue. He only wanted taxes removed from the classes who had to work for their living, from the farmers and the working men who were producing. In the East as well as in the West thousands of people were looking forward to the introduction of a tax on land values in order to relieve from the heavy burden of taxation the working man in industry and those who toiled on land and on the sea.

Mr. Michael Clark (*Independent, Red Deer, Alta.*), speaking on 25th May, said that the immediate future of Canada depended on the extent to which they promoted the free production of their fields, of their cattle ranches, of their forests, of their mines, because it was demonstrable to absolute proof that that was the way they must get the goods to pay their external liabilities. Yet they taxed agricultural implements and placed obstacles in the way of their foreign trade in the shape of a tariff wall.

Referring to the proposed excise taxes, Mr. Michael Clark said that this taxation was practically an enormous increase of the tariff on whole lines of articles, that it was difficult of collection and would inevitably lessen business. In advocating a higher rate of income tax he quoted figures illustrating the higher rates imposed in New Zealand. Canada, he declared, would not come up to the standard of New Zealand in those matters. "It is substantially true," concluded Mr. Clark, "that from Confederation to the present day Canada and her people have been owned by a few manufacturers, a few railroad magnates, and a few lumbermen. But the war has changed all that, and an army of emancipation is on the march. . . . The farmers are in that army; the working men are in it; the veterans are in it; the women are in it; the best journalistic heads in Canada are in it."

The Minister of the Interior (*Hon. Arthur Meighen*) stated that beyond incomes of \$200,000 the tax in Canada exceeded

the British tax and had done so for a year, and now they were adding 5 per cent. more to it. New Zealand to-day collected a heavy income tax, but they did not collect any profits tax or any corporation tax. They did not collect any of those other direct taxes which were imposed so heavily in this country, and they had had their income tax in operation for twenty or twenty-five years. New Zealand was not a manufacturing country, but they had so managed their affairs that they had to-day reached the point where they had a debt per capita three or four times as great as had Canada.

British trade was increasing because prices and transportation facilities were increasing. In 1906, 600,000 working men from other countries went into Germany and helped to enrich that protected country, and that in great degree at the expense of Great Britain herself. Between the years 1850 and 1908, 12,000,000 people left British shores, and many millions of them entered the United States. All this was going on under the ægis of Free Trade. Being a citizen of a country that in relation to the United States, to England, and many of the great industrial countries had its industries in a position of comparative immaturity, he would say it would be madness for them to adopt the principle enunciated by the hon. member for Red Deer.

The Hon. Rodolphe Lemieux (*Liberal, Maisonneuve, Que.*), continuing the debate on 27th May, declared that they should reduce to its minimum the military expenditure of the country. There were vague rumours regarding naval expenditure.* They had had a visit from Lord Jellicoe. He did not know the intention of the Government in regard to the proposed navy, but all he could say was this : This is a time for Canada to build not warships, but friendships . . . by letting the Minister of Trade and Commerce appoint active trade commissioners, who would capture wider markets for Canada and would meet the competition, not only of Americans, but of Australians, New Zealanders, yes, and Britons too.

The Hon. T. A. Crerar (*Independent, Marquette, Man.*), speaking on 31st May, argued that they had collected since the outbreak of war not one-tenth the amount of business profits tax that should have been collected from those who had had the opportunity to make excessive profits during the war. The whole tenor of the Budget was to make the man least able to pay, pay more. It was the old National Policy of Protection. If the war had proven anything it had proven the efficacy of the fiscal policy of Great Britain and her financial stability. They could still get a great deal of revenue from the tariff in Canada, and at the same time eliminate the principle of

* See page 486 for further references to the Navy.

Protection in industry which was bad. The implements of production should be made free. That was a specific plank in the platform of the Council of Agriculture. He could not see the advantage of supporting a policy that developed mergers such as the British Empire Steel merger, which was practically cornering all the coal and iron ore in the Maritime Provinces.

The Hon. W. L. Mackenzie-King (Liberal, Leader of the Opposition), speaking on 1st June, accused the Government of lack of economy and retrenchment, and declared that the Government had no policy for dealing with the high cost of living, that the Budget encouraged the manufacture of shoddy goods, that the Government showed its absolute incapacity to denote any policy in the Budget to assist in securing increased production. So long as Customs duties were kept on implements of production of the basic industries, so long they were simply taxing the capital that was necessary to produce further wealth. The trend in this country during the last couple of decades had been all in one direction : increasing the demand for food in the urban centres, while reducing relatively the numbers of those who were capable of producing food in the rural districts. They would find in the Farmers' platform, in the Labour platform, and in the Liberal platform, the common demand for a reduction of the duties on the necessities of life.

The President of the Council (Hon. N. W. Rowell) stated that their public debt to-day was substantially less than the public debt of Great Britain, France, Australia, New Zealand—every country which was engaged in the war except the United States. Their bank deposits had almost doubled in the last five years.

The Liberal-Unionists, in co-operation with their Conservative colleagues, had reduced the tariff burden of taxation last year \$17,000,000, and this year \$31,000,000, whereas the whole Liberal party working together effected or proposed a reduction of \$2,412,000 in fifteen years.

On 1st June the House divided on the amendment proposed by Mr. Fielding, which was negatived by 120 to 94 votes.

SPEAKER'S CHAIR.

(Gift of the Empire Parliamentary Association.)

The Executive Committee of the Empire Parliamentary Association in the Parliament of the United Kingdom, having decided to offer the Speaker's Chair as a gift to the Dominion House of Commons in order to replace that which was lost

in the fire at Ottawa, the Prime Minister (Sir Robert Borden) moved in the House of Commons on 8th June, 1920, that the gift be accepted; this was seconded by the Leader of the Opposition (Hon. W. L. Mackenzie-King), and agreed to.

The Prime Minister (the Right Hon. Sir Robert Borden) stated that the Speaker had received from the Secretary of the Empire Parliamentary Association in London the following telegram:—

LONDON, 19th May, 1920.

RHODES,

Speaker—House of Commons,
Ottawa.

Lord Chancellor and Speaker, joint Presidents, and members of the Empire Parliamentary Association in Lords and Commons, ask you to accept as gift to Canadian House of Commons the Speaker's Chair, as an abiding token of goodwill between both Parliaments. Suggested that Chair should be replica of that in British House of Commons. Colonel Amery, Under-Secretary for Colonies, who will be in Ottawa about end of this month, is bringing photograph of British Chair and will consult you.

D'EGVILLE.

Commons, London.

Since then Colonel Amery had brought the photograph, which he would lay upon the table of the House, and which would indicate that the Chair which it was intended to send them was beautiful, dignified and ornate. It was his duty now to move a resolution, which he hoped his hon. friend, the Leader of the Opposition, would second, setting forth their appreciation of this generous and thoughtful gift, and authorising the Speaker to convey the thanks of the House to the donors.

Spirit of Comradeship.

“Since the Parliament House which stood upon this site was destroyed by fire a few years ago,” said the Prime Minister, “we have already been favoured with many indications of the goodwill of our brethren in the great Mother Parliament beyond the seas. This further token of goodwill is but another illustration of the spirit of comradeship which prevails between the members of this Parliament and the members of the old Parliament in the United Kingdom. We are united by the ties of common ideals, of like institutions and traditions, and of a common allegiance. I hope that it may be our purpose now and at all times in the future to work with them in the best of good feeling and co-operation for the fulfilment of the aims of advanced democracy. I hope

that the House will accept the resolution which I now propose, and which will be seconded by Mr. Mackenzie-King:

"That the offer of a Speaker's Chair to the House of Commons of Canada by the Lord Chancellor and the Speaker of the House of Commons as joint Presidents, and by the members of the Empire Parliamentary Association in the House of Lords and in the House of Commons of the United Kingdom be most gratefully accepted, and that Mr. Speaker do inform the donors of the high appreciation of this House for the gift, and particularly for the sympathy and goodwill which it expresses."

"Link of Empire."

The Hon. W. L. Mackenzie-King (Liberal, Leader of the Opposition), in seconding the motion, said: "Mr. Speaker, on behalf of hon. gentlemen on this side of the House, it affords me great pleasure to have the opportunity of seconding the motion which has been made in such appropriate words by my right hon. friend. If there is one thing above another we in Canada have reason to be proud of and to be grateful for, it is that our constitution and parliamentary institutions are, to all intents and purposes, a replica of the constitution and parliamentary institutions of the Mother of Parliaments in the Old World. A visible sign of this great invisible reality such as is embodied in the gift, which it is our privilege to accept, is one of those links of Empire which makes for that unity we all desire in those things which are fundamental to liberty and to the preservation of it."

The motion was agreed to.

AUSTRALIA.

Commonwealth Parliament.

The first Session of the eighth Commonwealth Parliament commenced on 26th March, 1920.

GOVERNOR-GENERAL'S SPEECH.

(Debate on the Address).

The following is a summary of the main features of the Speech of the Governor-General (the Right Hon. Sir Ronald Munro Ferguson) :—

Visit of the Prince of Wales.

The Governor-General, in the name of the people of Australia, gave his Royal Highness the assurance of a loyal and joyous welcome.

Finance.

Despite the inevitable dislocation of transport and commerce caused by the war, and the unhappy influence of the drought, production and enterprise within the Commonwealth were vigorous. Though fighting had ceased much money was still needed to meet obligations arising out of the war. The loan moneys in hand sufficed for immediate requirements, but the Government would be obliged to give early consideration to the question of raising additional loan funds.

Commonwealth Bank.

Conditions following upon the war made it desirable that the usefulness of the Commonwealth Bank should be extended, and proposals to effect this would be submitted to Parliament for approval.

Coinage.

The great increase in the price of silver and bullion and other post-war circumstances rendered it necessary to reduce the fineness of the silver coinage, and to issue notes of smaller denomination.

Tariff.

Much attention had been devoted to a revision of the existing customs and excise tariffs, and measures calculated to stabilise and extend the industries of Australia would be laid before Parliament.

Defence.

Problems for the future defence of Australia were receiving earnest attention, and proposals suggested by the experience of war and the new international situation would in due course be submitted for consideration.

Immigration.

Ministers were deeply impressed with the necessity of substantially increasing the population by the encouragement of suitable schemes of immigration.

Referendum.

His advisers deeply regretted the defeat of the Referendum proposals,* and they intended to introduce legislation to authorise the summoning of a Convention representing the people and the Parliaments of the Commonwealth and the States for the revision of the National Constitution.

War Gratuity.

A Bill for the payment of a war gratuity to members of the Australian Expeditionary Force would be submitted for early consideration.

Relaxation of Government Control of Trade.

The Government policy was at the earliest moment to divest itself of the existing pools and controls, and thus permit the trade of the Commonwealth to revert to non-governmental channels, while affording the primary producers every possible assistance in extending the co-operative organisation of their important interests.

Industrial Legislation.

A measure would be introduced to amend the law relating to the prevention and for the settlement of those industrial disputes which came within the jurisdiction of the Commonwealth, and to give effect to the principle of a basic wage.

Public Works.

With the object of stimulating the steady development of the resources of the Commonwealth the Government would seek authority for the prosecution of a public works policy compatible with the financial position of the country.

Federal Capital.

The war being over, steps would be taken to further the plan for the establishment of the Federal Capital.

Shipbuilding.

Proposals for the co-ordination and further development of the shipbuilding industry would be submitted.

New Bills.

It was proposed to introduce Bills dealing with Finance, the Inter-State Commission, the Bureau of Commerce and Industry, the Commonwealth Shipping Line, War Indemnity, Territorial Representation, Aviation, Naturalisation, Health and Maternity Allowance, Customs and Crimes.

DEBATE IN THE SENATE.

The Address-in-Reply was moved on 26th February, 1920, by Senator the Hon. P. J. Lynch and seconded by Senator J. Newland.

* *Vide* pages 140 and 145 of the JOURNAL, No. 1.

French Labour Delegation.

Senator the Hon. P. J. Lynch (*W.A.*) referred to the opinion which had been expressed by the French Labour Delegation as the result of their visit to Australia about the end of the year 1918. These gentlemen had examined the industrial, social and legislative systems, and had placed their opinion on record in the most unequivocal manner. They said that Australia was the country that possessed the glorious privilege of getting everything done for its people—especially its working people—by Act of Parliament, a privilege not enjoyed by any other country in the world.

League of Nations.

Continuing, he said that, living under the protection of the British Flag, they had enjoyed a security which few other countries in the world had experienced. In addition to the security they had hitherto enjoyed, they had been assured, under the League of Nations, additional power and strength. They had now the security of all the Allied Nations coming to Australia's help if ever she was in danger. He looked upon the League as the Magna Charta of the Commonwealth, if they assessed it at its true worth. In regard to the United States of America, he hoped that nation which, as Lloyd George had said, was a substantial factor in assuring victory to the Allies, would not undo its good work by remaining outside the League. He still hoped that a representative of the United States would take his seat at the table of the League.

Legislative Programme.

Senator J. Newland (*S.A.*) said that the Governor-General's Speech did not contain anything of a sensational nature. That was not the time for sensationalism or experimental legislation. On the contrary, it was a time when all their energies should be directed to the building up of their national strength, and to restoring their broken finances—broken as the result of heavy but necessary expenditure during five years of warfare.

Wheat Freights: Wool.

Senator the Hon. A. Gardiner (*Labour, N.S.W.*), speaking on 3rd March, said that there was not much in the Governor-General's Speech. Those important items of policy which should have been included had been omitted. So far as he could see there was not one word in the Speech to show that

it was the intention of the Government to give primary producers a fair price for their produce. There was not one word about granting a rebate of at least one shilling per bushel to the farmers out of the freights—the exorbitant, extortionate and profiteering freights—charged by the Government for the carriage of wheat by Commonwealth vessels. Wheat, which used to be carried in pre-war days for 6½d. per bushel, had recently been carried by the Commonwealth vessels at more than four shillings per bushel. During the past four years the farmers of Australia had experienced a most distressing period of drought—one of the worst droughts within his recollection—yet the Government, which had exacted from the farmers eight times as much as it used to cost for the carriage of their produce, had not offered them a rebate out of the money thus derived.

Senator the Hon. J. Earle (Tas.): “The Commonwealth vessels carried wheat for about 30 per cent. less than was charged by private shipping companies.”

Senator Gardiner, continuing, said that the Australian wool-grower, small and large, was under an arrangement with the Government to accept 15½d. per pound for his wool. Yet they knew that Australian wool had been sold openly on the British market for six shillings per pound and upwards. If Australia became what she was entitled to become, namely, the world's wool market, the requisite ships would soon be provided. The wool was being sold in the British market, and Australia, the country that produced the best wool, had no wool market. If the agreement with the British Government were cancelled, the sale of wool at that time in the warehouses of Australia would realise an additional amount of £50,000,000 to £100,000,000 to the wool-growers. Already there had been a sacrifice of half the values, the British Government taking 50 per cent. of the profit on the re-sale of the wool. Why should the Australian wool-grower share the value of his produce with the British Government?

The Minister for Repatriation (Senator the Hon. E. D. Millen) referring to Senator Gardiner's contention relative to wheat freights, said that the Commonwealth vessels had been purchased as a national liability, and the Government carried Australian wheat at a price infinitely lower than was charged anywhere else in the world. So there was no justification whatever for any suggestion of profiteering or any accusation that the Government robbed the farmers of anything. To have done what Senator Gardiner had suggested would have been to rob the community. Senator Gardiner spoke of the agreements made with the Imperial authorities in respect of wheat and wool as if they were altogether faulty and foolish business deals. It was easy in

1920 to talk like that. When it was announced early in the war period that freight ships were disappearing from all trade routes, the farmers of Australia were plunged into the depths of despair. When it was announced that the Government had completed a deal with the British Government for the purchase of the Australian wheat crop, not only did farmers have reason to rejoice, but every man who gave a moment's thought to the financial position of Australia felt infinitely relieved.

He (Senator Millen) had grown a little wool in his time, and he remembered when wool-growers were mighty glad to get 6d. per lb. for the best fleeces. They thought it was a good price, but when the market commenced to rise, and they got 8d., they began to fancy themselves. No one ever dreamed then of 15½d. as a flat rate for all wool. It was childish to denounce the wool agreement in the light of present-day prices. The fact was, they had made a bargain, not a fancy price, but, nevertheless, one of the finest bargains ever entered into on behalf of the wool-growers of Australia. It was quite true that a tremendous profit had been obtained by the Imperial Government on re-sale, but it was also true that if Great Britain re-sold, instead of using the whole of the Australian clip for governmental requirements, the wool-growers of Australia should share the profits of such re-sale. The agreement secured to the Australian wool-grower not merely 15½d. per lb. flat rate, irrespective of the future market, but also participation in any profits made by Great Britain later on re-sales. Great Britain did not claim, as she might have done, that as she took all the risk of the future of the market, she should have the right to all the profits. Even if they had taken that stand, it would not have been a bad deal for the wool-grower.

Constitution Alteration.

Senator T. J. K. Bakhap (*Tas.*) deprecated the proposal to set up a Convention immediately after the turmoil of the general election, or within a year following it, for the purpose of attempting to secure a radical alteration of the Constitution. There was nothing vitally wrong with the Constitution. It was not because of a defect in the constitutional instrument that they had failed to deal with the recent serious industrial disturbances. Being of an inter-State character, the Constitution applied to them. It might be that the Arbitration Act could be amended in some directions, although many friends of arbitration were beginning to despair of it because of the lack of recognition of the arbitration machinery.

Weakness of Senate.

The Senate had the constitutional defect that it had not a complete veto power. It was in a weaker position, in one sense, than even the House of Lords since the passing of the Parliament Act, because in the case of the House of Lords two years must pass before its veto could be overridden; but the veto of the Australian Senate could be overridden in three months unless it submitted itself to the penalty of a dissolution.

Resumption of Trade with Germany.

Continuing, he said that the embargo on the export of ores was operating to the serious detriment of the mining industry, and was likewise affecting the commercial life of Australia. For some time Australia must expect primary production to constitute her principal source of revenue, and if they could secure international buyers, surely it would be to the benefit of Australia if they were granted full access to the Australian markets. It had been stated as an objection that this policy might lead to trade with Germany. They might be sure that if they did not sell to Germany, she would obtain her requirements elsewhere, and compete with Australia through other channels in other countries. Therefore, belligerent activities having ceased, and the Mother Country being prepared to trade with Germany, Australia must decide whether she would trade with the people in that country or not.

Senator J. Barnes (*Vic.*) urged the resumption of trade with Germany. Seeing that Australia had vast quantities of wheat, wool, meat and other classes of merchandise awaiting transport to the other side of the world, they would be absolutely foolish if they cut out one of the best buyers they could possibly get. Australia was selling wool to Britain, France and America, who, in turn, sold it to Germany. By helping the Germans to re-establish normal conditions, Australia would be doing something in the interests of her own people. He trusted that, in future, they would hear less of the stupid attitude towards Germany expressed by the Prime Minister.

Finance: Basic Wage.

Senator G. Fairbairn (*Vic.*) said it was indeed a problem when they remembered that Australia with its handful of people owed £718,322,726. Although a great deal of that was State debt, the Commonwealth, he supposed, owed quite £350,000,000, and before long, with the money required to

settle their soldiers and for the gratuity, it would be something like £400,000,000.

Under existing legislation, the basic wage paid to a married man was the same as that paid to a single workman who might not have any dependents. If they were to continue asking their virile male population to marry, greater consideration in the matter of wages would have to be shown if such advice was to be followed. That a single man should be paid as much as a man with a wife and three children was certainly a most extraordinary anomaly.

Rise of Japan : Pacific Islands.

Senator the Hon. J. Earle (*Tas.*) said that without doubt Japan had played the part of an honourable ally by policing the Pacific, and undertaking the safe convoy of Australian troops, and Australia owed a considerable debt of gratitude to Japan. But they had to recognise that there might come a time when Japan would not be so friendly towards Australia. They had to recognise the potential powers of such a nation. They had to remember that Japan within the past twenty-five years had sprung from a very insignificant position among the nations of the world to a foremost place, and they must not overlook the fact that, adjacent to Japan, there was an Asiatic population of anything between 400,000,000 and 500,000,000. There was a marked similarity between the Japanese and many of the people of Asia. This resemblance and affinity must, sooner or later, enable the Japanese to educate, consolidate, and organise the Asiatic races more effectively than any other nation could do. It was only natural to anticipate that Japan would exercise great power over China, and that those two nations some day would have become a united factor in the world's affairs. The principle of a White Australia, by which they must stand or fall, necessarily embittered the Asiatic peoples, and, except for diplomatic reasons, there could be no real friendship between the people of Australia and the millions of Asia.

It behoved Australia to do all that was possible to develop their Pacific possessions. Whilst there were many ways in which that policy might be furthered, the easiest and most important, to his mind, was the establishment of regular steamship service with those Islands. From private information he learnt that their possessions in New Guinea—Papua and the annexed German territory—were languishing for lack of regular and reliable steamship services.

Other Senators having addressed the House, the question was resolved in the affirmative on 24th March.

DEBATE IN HOUSE OF REPRESENTATIVES.

The Address-in-Reply was moved by Mr. E. J. Kerby and seconded by Mr. D. C. Cameron on 26th February, 1920.

Immigration.

Mr. E. J. Kerby (*Nationalist, Ballarat*) urged the importance of increasing the population by immigration. In the United Kingdom, he said, there were hundreds of thousands of discharged soldiers who were awaiting an opportunity to go to Australia, but unfortunately in London there were six different State representatives with as many different immigration policies, each practically working against the other. There was no co-ordination of effort similar to that which characterised the Canadian Immigration Bureau.*

Tariff Revision.

He hoped that the tariff which was then about to be introduced would raise the wall sufficiently high to keep out all competition. They wanted to encourage not only their primary but also their secondary producers, but, in helping the secondary producers of Australia, they did not wish to encourage them to work six hours a day, and to secure greater returns from their toil than did the primary producer for his sixteen or twenty hours' work a day. He hoped also that the tariff would be strongly pro-Empire, and that the bonds which had united them with the Mother Country during the last five years were going to be increased by the interchange of trade, and by working within the Empire for the good of the Empire. Their minerals, of which there were going to be large quantities for export, should go first to the Mother Country.

Wool.

The Hon. F. G. Tudor (*Leader of the Opposition*) said he was glad that the Government and the Prime Minister realised the importance of getting the wool top industry going again. He had read in the newspapers that according to a report

* The Prime Minister (the Rt. Hon. W. M. Hughes) submitted a proposal to the Premiers' Conference which sat recently in Melbourne under which the Commonwealth was to take full control oversea, the States being responsible for the immigrants on arrival in Australia. It is understood that this proposal has been adopted, and that it will be put into operation as soon as possible.

by the Bureau of Science and Industry, it was proposed to treat much more of their wool in Australia—he thought one-third of it, or about six times more—than had been the case in the past. He was very glad to see the secondary industries extended. Australia was then sending away about 95 per cent. or more of her wool to be treated abroad, only treating about five per cent. in Australia in the way of hosiery and tweed.

Sugar.

Referring to the further agreement for three years* about to be entered into by the Commonwealth Government with the Queensland Government, under which the latter acquires the sugar-cane crop of that State and hands it over to the Commonwealth Government for distribution, and the question of increase in the retail price of sugar, Mr. Tudor said that in reply to a question the previous week, the Treasurer (the Rt. Hon. W. A. Watt) had stated that to the 31st December, 1919, the total amount derived from the War Time Profits Tax was £2,296,736; and that from Loan Tax the total receipts for the past financial year were £1,700,000. If the retail price of sugar were advanced 1d. per lb.† the consumers would pay alone on the 280,000 tons consumed in Australia an additional amount of £2,600,000; it was more than the total amount received from the War Time Profits Tax. He desired that the people who owned the rich lands of Australia should pay more of their share of the burden, and not keep passing it on to the consumer.

Sectarian Issue.

He desired to refer to the scandalous way in which the sectarian issue had been raised during the last election campaign. Statements to the effect that he was a Roman Catholic had been circulated, but those responsible for them had met with many rebuffs, since his electorate was a comparatively small one, and most of the people were persons acquainted with him. In Victoria big posters had been displayed bearing the words "Protestants, be loyal. Vote Nationalist."

He had a copy of a pamphlet entitled "The Roman Catholic in the State," and understood that 250,000 copies had been printed and had been on sale at 2d. a copy. In that pamphlet some awful statements were made concerning Roman

* A comprehensive statement in connection with the Sugar Agreement will be summarised in the next issue of the JOURNAL.

† The proposal is to increase the price from 3½d. to 6d. per lb.

Catholics in the Public Service. It was distributed broadcast throughout Australia during the campaign. He would denounce any attempt to influence an election by reason of the sectarian issue, no matter by what religious section of the community it was resorted to.

Economy.

Dr. Earle Page (Farmers' Union, *Cowper*): It had been said that "finance is government and government is finance." The total indebtedness of Australia was something like £746,000,000 of which, in round figures, the Commonwealth owed in London £106,000,000, and the States £392,000,000; about £200,000,000 being owed to Australian creditors. Whatever might be thought about the innocuousness or otherwise of internal debt, external debt must be controlled and reduced, as it involved a constant interest drain. The Commonwealth had a heavy obligation in its annual *per capita* payment to the States, in its pensions fund, and in its repatriation and reconstruction policy. In addition there must be found in the immediate future funds for a national railway policy to prevent the loss of assets such as took place recently, when £50,000,000 worth of stock perished by reason of a drought, and for large schemes of water conservation and power production, if Australia were to keep her place in the race for commercial and industrial supremacy. During the war, the loan indebtedness of the States was increased by something like £80,000,000 though their Governments were not concerned with the conduct of the war and there was special reason for economy. Some method must be devised for controlling the borrowing of the State Governments. During the war all the States except New South Wales consented to borrow only through the Commonwealth.

Decentralisation.

The great economy obtainable by the sub-division of Australia was not monetary or financial in those small ways—it was the real economy obtained by a proper marshalling of the national resources of the continent, by securing real country development, by reason of the fact that the control of local resources was in the hands of men who knew exactly what they were dealing with. To him a reduction in the number of Parliamentary representatives was not the only ideal. What was really needed was efficient representation. In the New South Wales Parliament there were 90 members, 48 of whom were city men, and 42 from the country. Areas of enormous extent, almost as large as England, which then

formed single electorates, should have better representation. He ventured to say that in Victoria there would be the same ardent desire for separation from Melbourne as there was in New South Wales for separation from Sydney.

A Labour View.

Mr. E. Riley (*Labour, South Sydney*) said that Australia had incurred expenditure of £300,000,000 in assisting the people of Great Britain in the Great War, and 60,000 of their sons laid down their lives in the struggle. In return, sections of the people of Great Britain had been profiteering in Australian wool, butter, rabbits, skins, and everything else that had been sent to the Old Country. Yet they were told by the Prime Minister (Rt. Hon. W. M. Hughes) that the Chancellor of the Exchequer had sent a cablegram demanding repayment of £8,000,000 of loan money at the end of that month (March). Canada had spent some £300,000,000 in assisting the Empire during the war, or £37 per head of population, but Australia had also spent £300,000,000 though in doing so she burdened her population to the extent of £60 per head. The British Government should not insist upon being paid the last penny of debt owed by Australia. Canada made money out of the war, but Australia made nothing out of it. Their primary producers had sacrificed themselves by allowing their produce to be sold to the Old Country at low rates. The whole of the people of Australia had made sacrifices during the war, and yet they were told that they were being pushed to find £8,000,000.

The Hon. Sir Robert Best (*Nationalist, Kooyong*) referred to the spirit of Mr. Riley's speech as "huckstering" and hardly worthy of Australia. He asked Mr. Riley not to destroy what Australia had done.

The Address-in-Reply was agreed to on the 18th March.

FINANCIAL POSITION; PEACE TREATY, Etc.

(Visit of the Treasurer to London.)

The Prime Minister (the Rt. Hon. W. M. Hughes), on 4th March, made a statement in the House of Representatives as to the proposed visit of the Treasurer (the Rt. Hon. W. A. Watt) to London. He said that the Cabinet had recently devoted much attention to the financial position of the Commonwealth, particularly the condition and outlook with regard to loan moneys, and their indebtedness to the British Government.

As was well known, they had finished the war with a huge national debt,* represented by their stock and bonds. But besides that they owed the War Office £33,000,000, for which no bonds had been issued, and for which no definite arrangement had been made. To that amount must be added £8,750,000 for various war payments made on their behalf by the Imperial Authorities, who were pressing for early repayment. Those were large sums, and in the then condition of the world's money market, it was not easy to meet their wishes. In addition to those obligations, they had to find many millions to continue and complete the land settlement and housing of their returned soldiers. If Australia could, without serious disturbance of its producing and employing agencies, furnish its Government with substantial loans, the solution would not be hard; but, as everybody knew, that was unfortunately not the case. The situation was important and urgent and, recognising this, the Government had requested the Treasurer (Mr. Watt) to proceed to London as early as practicable to deal with and, if possible, settle those matters.

The Treasurer had further been commissioned to go thoroughly into the question of the profits on wool, out of which Australian growers had every right to expect a large bonus above the flat rate provided in the wool contract with the British Government.

Mr. Watt would also represent the Commonwealth in the Imperial Cabinet in connection with several important aspects of the Peace Treaty, including the German indemnity and the mandate for the Pacific Islands.

Mr. Watt would avail himself of the opportunity of inaugurating in Great Britain the immigration policy of the Government, and it was hoped that, as a result, a regulated but steady flow of British settlers to Australia would be encouraged.

* Mr. Watt arrived in London on 10th May. During a speech delivered on 27th May he stated that the debt of the Commonwealth was £359,000,000, an increase during the war of £340,000,000. Of that amount all but £90,000,000 had been raised in Australia. The debt of the States had increased from £318,000,000 in 1914 to £397,000,000 at the present time, thus making the total debt of Australia £756,000,000.

On 9th June it was officially announced that owing to variance with his ministerial colleagues in Australia on important issues connected with his mission, Mr. Watt had resigned his portfolio as Treasurer.

Advice has been received by cable that the Rt. Hon. Sir Joseph Cook has been appointed Treasurer in succession to the Rt. Hon. W. A. Watt, and the Hon. A. S. Rodgers as Assistant Treasurer. The Hon. W. H. Laird Smith succeeds Sir Joseph Cook as Minister for the Navy.

SOLDIERS' WAR GRATUITY ACT.

The object of this Bill, which was introduced in the House of Representatives on 19th March, and received assent on 30th April, is to enable a gratuity to be paid to members of the Australian Naval and Military Forces.

The Bill provides that the war gratuity is not claimable or recoverable as a matter of right, but shall be deemed to be a free gift in recognition of honourable services during the war with Germany.

ELIGIBILITY.

(A) Members of the Naval Forces* who served in sea-going ships after 4th August, 1914, and before 11th November, 1918.

(B) Members of the Naval Forces* who did not serve in sea-going ships between the dates mentioned in (A).

(C) Persons who are or were members of the Naval and Military Expeditionary Force to New Guinea.

(D) Other members of the Naval Forces who served in sea-going ships during the war with Germany and who, during that service, were borne for pay on the books of one of H.M. Australian ships.

(E) Members of the Military Forces (including Army Medical Corps Nursing Service) who—

(i.) Embarked from Australia on or before 10th November, 1918, for service overseas, or

(ii.) Did not embark for service overseas, or embarked after 10th November, 1918.

(F) Imperial Reservists who embarked from Australia on or before 10th November, 1918, and were bona fide residents in Australia.

RATE.

In respect of the service of persons specified in paragraphs (A), (C), (D), and (E) (i.)—1s. 6d. per day.

Paragraph (B) and (E) (ii.)—1s. 0d. per day.

Paragraph (F)—1s. 6d. per day less any amount of gratuity paid or payable by the Imperial Government.

QUALIFYING PERIOD OF WAR SERVICE.

(A) and (D) from 4th August, 1914, if serving in sea-going ships on that date, or, if not serving in sea-going ships, from the date thereafter of taking up duty in sea-going ships, up to 28th June, 1919, or date of discharge (whichever is the earlier).

(B) From 4th August, 1914, or date of appointment or enlistment up to 28th June, 1919, or date of discharge (whichever is the earlier).

(C) and (E) (i.) from date of embarkation up to 28th June, 1919.

(E) (ii.) From date of reporting in camp up to date of discharge.

(F) From date of embarkation up to 28th June, 1919.

* Except the Auxiliary Service, *i.e.*, Royal Australian Naval Brigade and Staff, Royal Australian Naval Radio Service, and any person appointed for permanent naval duty on shore.

METHOD OF PAYMENT.

Treasury Bonds maturing not later than 31st May, 1924, bearing interest at 5½ per cent., such bonds and interest thereon being free from State or Commonwealth Income Tax and not be deemed to be income for the purposes of the Invalid and Old-Age Pensions Act (see JOURNAL No. 2, page 355) or the War Pensions Act.

Cash payment shall be made in the case of the widow of a member of the Forces; the widowed mother of an unmarried deceased member; the mother of a deceased member, if she was, prior to his death, a dependent of his; a member who is found by the prescribed authority to be blind or totally and permanently incapacitated; a member who has married since the date of his discharge; and a person who is found by the prescribed authority to be in necessitous circumstances.

GENERAL.

No interest in any gratuity or in any Treasury Bond in payment thereof shall be alienable by sale, assignment, charge, execution, insolvency, or otherwise.

Provision is made for investment in approved companies, formed for the purpose of the development of primary or secondary production in Australia or of trading, and incorporated in Australia.

The Treasury Bonds shall be accepted at their face value plus interest accrued to date in repayment of any moneys due by the person to whom they were issued under the Australian Soldiers' Repatriation Act, 1917-1918, and the War Service Homes Act, 1918-1919.

DEBATE IN HOUSE OF REPRESENTATIVES.

The Prime Minister (the Rt. Hon. W. M. Hughes), in moving the Second Reading, said that the question of a gratuity was mooted about September, 1919. About that time it was reported that Canada, Great Britain, New Zealand and South Africa had made, or were making, arrangements to pay a gratuity. Speaking generally, no part of the Empire, in fact no part of the world, had treated its soldiers better than had the Commonwealth. It was admitted on all sides that the Australian soldiers were the best clad, the best fed, the best paid of all the Allied armies, and that their hospital and medical arrangements lost nothing by comparison with those of other countries. But if other countries were paying a gratuity, it appeared clear to the Government that Australia must also do so. He had obtained from Canada, New Zealand, and South Africa some figures setting out particulars of their schemes. Subsequently these were discussed with the representatives of the Returned Soldiers and Sailors' League, and it was generally admitted by them that, in the circumstances in which Australia found itself, it would be impossible to pay the gratuity in cash. He was glad to be able to testify that these men, who were the representatives of the greater portion

of the returned men, were most anxious not to embarrass the country for which they had fought.

It was incomparably the most liberal scheme adopted by any part of the Empire, and it was also the most democratic scheme. It made no distinction of rank, but treated all alike, as was, he thought, proper in a democratic country like Australia with its democratic Army. Much of the success of the Australian army lay in the fact that its organisation was essentially democratic. It was proposed to pay the gratuity at the same rate to all men from the date of embarkation to the 28th June, 1919, the date of the signature of the Peace Treaty at Versailles.

Some Comparisons.

In New Zealand the soldiers were paid from the date of embarkation to the date of death, or discharge, whichever came first. In the case of a man enlisted in August, 1914, and hit at the Gallipoli landing, or within three months of the landing, and returned unfit for further service, under the New Zealand scheme he would be paid to the date of his discharge. Under the Australian scheme he would be paid to the 28th June, 1919, and very properly so, because, after all, what more could a man do than he did? The dependents of a man who was killed at the landing would be paid to the same date. The rate of gratuity under the Bill was 1s. 6d. a day from date of embarkation to 28th June, 1919; and 1s. a day for those enlisted before the 11th November, 1918, from the day they reported for duty in camp to their discharge, or for a period of six months, whichever was the shorter period.

The next-of-kin of a soldier who embarked in November, 1914, and was killed in April, 1915, would receive—in the case of Britain, £5; Canada, about £22; New Zealand, £11 5s.; and Australia, £120. A man who embarked in November, 1914, was wounded at Gallipoli, and was discharged in November, 1916, would receive—in the case of Britain, £11; Canada, five months' pay, equal to about £40; New Zealand, approximately £50, and Australia, £120. The rate of payment in Canada was six months' pay and allowances for three years' service, five months' pay for two years' service, four months' pay for one year's service, and three months' pay for any service less than one year. In New Zealand the rate was 1s. 6d. per day for service abroad only, no gratuity being allowed in the case of home service. For home service Canada allowed three months' pay for three years' service, two months' pay for two years' service, and one month's pay for one year's service or less. In Canada the gratuity was paid in monthly instalments; and in New Zealand it was paid principally

through the banks. The Australian gratuity covered a greater period, and was on a fairer basis than was that of any other Dominion. The British gratuity made a distinction between the different ranks, paying the officers, of course, a higher rate than the privates. Under the Bill, the gratuity would be paid in non-negotiable bonds, bearing interest at $5\frac{1}{4}$ per cent. per annum, the bonds being immediately negotiable as set out in the Bill.

Arrangements had been made with a large number of employers throughout Australia to cash the bonds of their employees. As the result of further negotiations, the Commonwealth and the States of New South Wales, Queensland, and Victoria had also agreed to cash the bonds of their employees.

The Hon. F. G. Tudor (Leader of the Opposition) strongly urged payment of the gratuity in cash to all who desired cash, and in negotiable bonds to all who preferred bonds. If the war had lasted three months longer, they should have paid in cash at least the amount now required for the gratuity and more. No one knew a week before the armistice that the war would not last another three months; and it would appear that Australia could find money for the war, but, according to some of the Government party, it was impossible to find cash for the returned soldiers. He considered munition and war workers who went to work in England as much entitled to the gratuity as were the others. Likewise the drill instructors, and the men of the Garrison Artillery, Naval Brigade, and others who were prevented from going to the front; also members of the Mercantile Marine who were engaged in the war zone.

Mr. A. Weinholt (Nat., Moreton) was not in favour of paying the gratuity to any who did not actually go on active service.

Mr. S. M. Bruce (Nat., Flinders), in connection with the suggestion that the gratuity be paid in cash, said that if this were done the effect would be absolutely disastrous. He took the view that they were suffering in Australia from great difficulties brought about by the high cost of living. Some cheery souls would dismiss the whole thing by asserting that the present difficulties in Australia, particularly the increase in the cost of living, were attributable to profiteering. He was not there, in any way, to plead the cause of the profiteer, who, in his best and most determined moments, could not have brought about the present position unaided. It had been brought about equally, he would say much more, by the inflation of credit in Australia, and the hopeless depreciation of their currency. If they were to issue another 25 million they would naturally accentuate that position, and place a further heavy burden upon the people who were little enough

able to bear it. They would also play directly into the hands of the profiteer if they did so. The whole possibility of the profiteer indulging in his orgy, if he were doing so, was being created by the fact that money was then so plentiful in Australia, and yet was so depreciated in its value. If they added 25 millions to the sum already issued, they would give a further and greater opportunity to any misguided and disreputable person in the community who wanted to profiteer. He knew the soldier, he presumed, as well as did most people in that building, and he was prepared to say that the average decent returned man did not want his money in cash if any of the things he (Mr. Bruce) had said were true, and if the result would be to place a greater burden upon the people who had borne, and were bearing already, a very great burden in respect of the services which the soldier had rendered to the country.

Amendments Proposed.

In Committee efforts were unsuccessfully made by the Opposition to amend the Bill with a view to making the gratuity payable wholly in cash and extending the incidence of the gratuity to members of the Naval Brigade and Staff, Naval Reserve, Radio Services, Munitions and War Workers, those engaged in mine sweeping, and members of the mercantile marine who were engaged in the transport of troops, etc.

The Assistant Minister for Defence (Sir Granville Ryrrie), in reply to the arguments in favour of the above proposed amendments, said that he did not deny that many men would be left out of the Bill who were just as deserving as those who were provided for. It was necessary to draw the line of demarcation somewhere, namely, enlistment for service abroad.

DEBATE IN THE SENATE.

The Minister for Defence (Senator the Hon. G. F. Pearce), in moving the Second Reading, 15th April, said that the total estimated cost of the proposed gratuity was £28,000,000. Of that sum, £6,000,000, it was estimated, would be required to meet the cash payments provided for under various clauses of the Bill. Arrangements had been made with the banks by which this sum of £6,000,000 would be made available as an overdraft to the Commonwealth upon which interest would be charged at the rate of $5\frac{1}{4}$ per cent.

As to the gratuity being paid in cash, he said that critics quoted the figures of deposits in the banks, comparing 1914 with 1919, as indicating that the necessary cash was readily available. According to those figures, the deposits in the banks

in 1914 amounted to £186,600,000, and in 1919 they amounted to £280,000,000, showing an apparent increase of £93,400,000. These figures were illusory if quoted to indicate the corresponding increase of wealth. Money to-day was not a true index of the quantity of goods or the real wealth available. The figures quoted did not indicate an increase of wealth, but the decreased value of money, owing to the inflation of values because of the gigantic borrowing for war purposes, and to decreased production. Those who argued that because of an apparent increase in the deposits in banks, which every one knew was due to the tremendous amount of paper money circulated in the Commonwealth by reason of their war borrowing, the country was in a position to meet the gratuity in cash, were arguing on false premises.

Another phase of the question was the undertaking the Commonwealth had already shouldered, and was shouldering, in connection with the quite proper and legitimate obligations to the Australian Imperial Force. The interest and sinking fund payment and war pensions, it was estimated, would represent an annual charge on the Commonwealth of £27,000,000. That would remain an annual charge until the Commonwealth was in a position to replace these bonds, not with other bonds by fresh borrowing, but with goods or real wealth produced.

Expenditure.

The approximate expenditure to 30th June, 1920, on repatriation, war pensions, etc., was—land settlement of returned soldiers, £9,172,963; Housing, £5,005,000; Hostels, £506,620; Advances to States to provide reserve employment, £500,000; Grants to Local Government bodies to provide employment, £450,000; Vocational training sustenance, tools, medical treatment, etc., £6,450,000; other expenditure, £100,000; a total of £22,184,583. War pensions to the same date would involve £15,078,664.

If to the foregoing were added the total recurring liability in the form of interest on war loans, the amount was £49,584,336, representing expenditure on soldiers and their dependents up to the end of the present financial year (30th June).

Senator J. Grant (*N.S.W.*) found it surprising that the Government could not be screwed up to the point of borrowing the amount required to liquidate the gratuity. To his mind it would be far more economical to add the amount involved to their national debt, and to pay the interest in the ordinary way.

Senator T. J. K. Bakhap (*Tas.*) intended to vote for bonds instead of cash, so that by a system of deferred payments, they would receive the cash four years hence, when they

would be older citizens, and when the money would, he believed, be of more benefit to them.

Senator the Hon. A. Gardiner (Labour, N.S.W.) was in favour of payment of the gratuity in cash, and extension of incidence as proposed by the Opposition in the House of Representatives.

An Amendment moved by Senator Gardiner for payment of the gratuity in cash was negatived by 16 votes to 3, Senator J. Barnes (*Victoria*) and Senator the Hon. J. V. O'Loughlin (*S.A.*) voting in favour of the proposed amendment.

The Bill was read a third time on 22nd April, and referred to the House of Representatives with minor amendments which were agreed to by the latter Chamber on 28th April.

State Parliaments.

New South Wales.

*The First Session of the 25th Parliament commenced on 27th April, 1920.**

* A General Election for the Legislative Assembly was held in New South Wales on 20th March, 1920, the state of parties resulting as follows: Labour, 45; Nationalists, 28; Progressives, 15; Independents, 2. The leader of the Labour Party, the Hon. John Storey, was commissioned to form a Government and allotted the portfolios as follows:—

Premier	The Hon. J. Storey, M.L.A.
Colonial Secretary and Minister of Housing	The Hon. J. Dooley, M.L.A.
Minister for Agriculture	The Hon. W. F. Dunn, M.L.A.
Secretary for Lands and Minister of Forests	The Hon. P. F. Loughlin, M.L.A.
Secretary for Mines and Minister of Labour and Industry	The Hon. G. Cann, M.L.A.
Colonial Treasurer	The Hon. J. T. Lang, M.L.A.
Minister of Public Instruction and Minister of Local Government..	The Hon. T. D. Mutch, M.L.A.
Attorney-General and Minister of Justice	The Hon. E. A. McTiernan, M.L.A.
Secretary for Public Works and Minister of Railways	The Hon. J. Estell, M.L.A.
Minister of Public Health and Motherhood	The Hon. J. J. McGirr, M.L.A.
Assistant Minister of Justice ..	The Hon. W. J. McKell, M.L.A.
Solicitor-General	The Hon. R. Sproule, M.L.C.
Vice-President of the Executive Council	The Hon. E. J. Kavanagh, M.L.C.

The Hon. Daniel Levy (Nationalist) was elected as Speaker, the Labour Party thus securing a majority of one.

INFLUENZA EPIDEMIC RELIEF ACT.

This Act received assent on 23rd December, 1919, and gives effect to a proclamation published in the *New South Wales Government Gazette* of 27th February, 1919, in which the Governor notified and proclaimed that it was the intention of the Government to introduce a Bill to adjust the losses caused to persons by the compulsory closing of places of business and amusement during the influenza epidemic in the following manner :—

(1) By properly distributing losses between lessor and lessee, etc., in respect of any premises closed on or after 28th January, 1919, by Government action, and by providing for the bearing by the Government of at least one-third of the total losses in all cases, the remaining loss to be shared equally between the parties concerned.

(2) By providing a guarantee by the Government of 50 per cent. of any payments due as interest in respect of advances, loans, etc., made for the purposes of any business so closed, or as interest payable in respect of the purchase or hire of chattels used in connection with such business. This guarantee is to operate only in cases where proper consideration has been shown by claimants to the persons from whom the payments are due.

(3) By providing for the Government carrying an equitable proportion of the losses so incurred in respect of contracts of service.

Under the Act a Commissioner is appointed, to whom any person may, within two months of such appointment, make application to the Commissioner to determine the amount of loss so suffered by him. Losses in respect of which application may be made include rent of places of business and amusement, rates and taxes in connection therewith (but not including Federal taxes), interest on borrowed money, and premiums of insurance; wages of any indispensable employee, provided such wage does not exceed £5 per week, and personal living expenses of the owner of any such place at a rate not exceeding £5 per week; and charges for lighting.

Queensland.

LAND ACT AMENDMENT ACT.

The Bill was introduced in the Legislative Assembly on 21st January, 1920, and passed through all stages without amendment. It was introduced in the Legislative Council on 4th February. On the 10th February, during the debate on the Second Reading, the Hon. A. H. Whittingham, having intimated the intention of the Opposition not to allow the Bill to go into Committee, but to vote for its rejection on the Second Reading, the debate was adjourned to the following

day. The next day the Secretary for Mines (the Hon. P. J. Jones) stated that, seeing the majority had voted in favour of the adjournment, he did not want to force another division on the question. The order for the Second Reading was revived on the 19th February, 14 new members having, in the meantime, been summoned to the Council by the Lieutenant-Governor (the Hon. Wm. Lennon).* The Bill passed the remaining stages without amendment and received assent on 9th March, 1920.

The main feature of the Act is that it repeals the provisos in Sections 43 (pastoral holdings) and 109 (grazing leases) of the principal Act of 1910 in regard to the limit to which the rents may be increased. Under the Act of 1910, the rents of pastoral holdings and grazing selections were subject to re-appraisement at stated periods by the Land Court, which had power only to increase the rents up to 50 per cent. on the preceding assessment. The present Act repeals these provisos and gives the Land Court power to increase the rents to any extent in accordance with its estimate of the economic value of the holding or selection.

DEBATE IN LEGISLATIVE ASSEMBLY.

The Premier (the Hon. E. G. Theodore) on 22nd January, in moving that the Bill be read a second time, said that this was the Bill in connection with which the Government had been charged with attempted repudiation. He quite understood that pastoralists were considered to have a paramount right over the rest of the community, but it could not be considered repudiation where the interests of the community were so much involved. It could not be said that they should make no alteration in the law because there existed what was alleged to be repudiation when a Bill of this kind was introduced. There were very few Bills passed in that House which did not interfere with some person or other in the State. He instanced several Acts passed by previous Governments which, he maintained, included repudiatory clauses.

Allegation of Confiscation.

If they could not legislate to enable the State to get higher rents because they were interfering with someone

* No limit is set by the Constitution Act to the number of members of the Legislative Council of Queensland, the total now being 64. Members are appointed by the State Governor, and it is provided that not less than four-fifths of the members must consist of persons not holding any office under the Crown, except officers of His Majesty's sea or land forces on full or half-pay, or retired officers on pensions. The members are nominated for life.

else's private rights, what about the interference with property rights in the various Acts authorising Governments compulsorily to resume land? Compensation was paid, but that did not reward the man. He was compelled to accept the money offered, and his land was taken. The principle in the measure was similar to that contained in hundreds of Acts of Parliament which had passed through the House previously. If the proposal of the Queensland Government was confiscation and repudiation, what was the Commonwealth Government's action a few years ago in imposing a tax upon those leases? The Government of that time had protested against the action of the Commonwealth Government in subjecting to Federal taxation holdings leased from the State and contended that the proposal was not only unconstitutional but also unjust. It was further contended that unless it was made applicable only to current leases it depreciated a State asset and confiscated State revenue; and that the Land Court, in fixing future rentals, must allow for this new impost which, consequently, would be borne, not by the tenant, but by the State. That argument, Mr. Theodore asserted, was an absolute fallacy.

The Report of the Royal Commission appointed by the Commonwealth Government in 1919 to investigate the matter found that the object of the tax was to make the lessees pay more than they were then paying, because the State was charging inadequate rates. As the Queensland Government increased rents, so the pastoralists diminished their tax to the Commonwealth, and as a matter of fact they would not protest if they recognised fully their interests in the matter. Mr. Theodore quoted specific cases to prove this. The Commonwealth had no right to the economic value of that land—the State alone had that right. The Queensland Government had only taxed what was known as taxable value, and there was only taxable value when there was a difference between the rental paid to the Crown and the economic value. If the amounts were equal, the revenue paid to the Government with respect to the occupation of that land should go to the State and not to the Commonwealth.

Position of Pastoralists.

There might have been an argument against the Bill had it been shown that the pastoralists could not afford to pay any more rent; but the pastoralists were the most prosperous class in the community. If the drought had imposed burdens upon the pastoralists in regard to rent, how much more had been imposed upon the grazing farmer

who paid three times as much ? The pastoralists' rent should be fully fixed by the Land Court without any limitation whatever. Only one-sixteenth of the whole of the land in Queensland was alienated or in course of alienation, and those who held freehold titles to land were paying more to the State by way of taxation than the whole of the leaseholders were paying by way of rent. The freehold land, including land in process of alienation, aggregated 26,000,000 acres. The pastoral leases aggregated 211,100,000 acres, or eight times as much, yet the freeholders paid £465,000 in taxation after having purchased the land, whilst the pastoralists paid only about £340,000 as rent for the year ending 30th June, 1919.

The Federal Deputy Commissioner of Taxation in Queensland in giving evidence before the Federal Commission had said that a very large number of the pastoral leases were in every way equal to the freehold land in Queensland. The individual pastoralists with incomes of £1,000 a year had more than doubled their incomes in four years. The pastoralists' companies had also done very well. There were 26,000 income taxpayers in the State whose taxable income last year was £10,000,000. Of these 2,900 were pastoralists whose taxable income amounted to nearly half. The Commonwealth Government were apparently of the same mind, for they appointed a Royal Commission with a view to the pastoralists paying more adequate rents by way of Commonwealth Land Tax and Crown Rents.

They were not asking Parliament to give them the right to increase the pastoralists' rent ; they were only asking that the Land Court be allowed to re-appraise the rent and fix a fair rent in view of the economic value of the land. They were making it retrospective only in the sense that those leases which had fallen due for a second period of re-appraisal would be open to review by the Land Court, and there would be no discrimination. The people of the State had a right to expect the pastoralists to pay a fair rent. If the pastoralists were let off with one-third of the rent they ought to pay, then those who were not so well off as the pastoralists had to make it up to the State ; and that was not a fair proposition.

Mr. E. H. Macartney (Leader of the Opposition) did not think the Premier had succeeded in quoting legislation on a par with the proposal before the House. The Bill provided for repudiation in a form which he thought would be regarded as a public disgrace on the part of any private individual or company, suggesting the breaking of a contract of this character. He did not agree with the Premier that the provisions in the Bill were parallel with the Rights in Water and Water

Conservation Act or with the Mining on Private Property Act. In the former a certain arrangement was made as to what the Crown rights were in regard to the water. The men's rights might have been expropriated, but there was no attempt to alter the conditions of a contract. Nor was there, in connection with the Mining on Private Property Act, a breach of a contract.

Breaking of Contracts.

Parliament had the right to alter its laws, but it was not that, it was the alteration of a contract. On that contract it was provided that the rent should be appraised at certain periods, and that it should not be increased beyond 50 per cent. of the rent for the previous period. The law provided for the issue of a contract and the lessees entered into that relationship with the Crown under a specific contract which was issued and ratified by the State. It was the breaking of such a contract that members on his side of the House regarded as immoral.

The clause in the Act which it was proposed to repeal was nothing new in Queensland or in Australia. They had a similar provision in the legislation of New South Wales, the only difference being that the limit in New South Wales was 25 per cent., while in Queensland it was 50 per cent.

The Premier had attempted to justify the Bill by a reference to the Commonwealth Government's action in imposing a tax on those leases. There was no analogy at all. He held that every loyal member ought to oppose the action of the Commonwealth Government in taxing the leases of the Crown, because the general opinion was that under the Federal Constitution all State Crown property was to be exempt from taxation. To the extent that the Commonwealth attempted to tax those leases, they attempted to depreciate Crown property. That was the point that was raised at the time ; but it had no relation to the point in question beyond the suggestion that the Crown tenants who obtained leases under the Acts of 1902 or 1905 made a very good bargain with the Crown. He was quite aware that some pastoral companies and individual pastoralists had done particularly well, but that ought to be no reason for the Government to break the contracts they had entered into with the Crown tenants.

DEBATE IN LEGISLATIVE COUNCIL.

The Minister for Mines (the Hon. A. J. Jones), on 5th February, in moving the Second Reading, said that the object

of the Government was to allow an impartial tribunal to fix a fair rental for pastoral holdings. It might be claimed that any legislation was a breach of contract, but he held that Parliament was supreme, and had power to pass any legislation which was in the interests of the whole of the people. He contended that an incoming Government had the right to amend an Act which had been placed on the Statute Book by the dead hand of the past. He referred to certain Acts on the Statute Book which, he said, were an interference with an existing contract, and which proved that the legislature was competent to interfere with an existing contract. Their justification for making the measure retrospective was that the Legislative Council had been rejecting it for years and years.

The Hon. P. J. Leahy said that he had referred to the Land Acts from 1869 right down to date, and he had found that there never had been a time when some form of restriction on the maximum rent did not exist. The Minister had led them to believe that the fixing of the maximum increase at 50 per cent. was a new principle introduced into the Act of 1905; but he had found the same principle in all their Land Acts. He instanced the Act of 1866. Although it conserved the rights of grazing farmers, the Act of 1902 did not contain the provision with which they were dealing, with the consequence that lessees found it impossible to get the necessary financial assistance from the banks in order to purchase stock, etc., and to make improvements, and the Government, with the support of the Labour Party, passed the Act of 1905 containing the provision regarding a maximum rent. As a result of the security thus afforded, banks advanced money liberally to pastoralists, and a great impetus was given to the grazing industry.

UNEMPLOYED WORKERS' BILL.

This Bill, which provides for the establishment of an unemployment council, relief works, labour farms, and an unemployment insurance fund, was, on the motion of the Hon. E. G. Theodore (Treasurer and Secretary for Public Works), introduced in the Legislative Assembly on 27th August, 1919, and passed by that Chamber on 18th September, 1919. It was read for the second time in the Legislative Council in October, when an amendment was moved by a Member of the Opposition for the postponement of the measure for six months. This amendment was carried, but the Government attempted on the 25th February, 1920, to revive the order for the Second Reading. The President, however, ruled that the motion could not be proceeded with

in the absence of a majority of the Council. As this ruling took place towards the close of the Session, the Government found no further opportunity to proceed with the Bill.

DEFINITION OF "WORKER."

For the purposes of the Bill a "worker" is a person, male or female, of the age of sixteen years or upwards, engaged by an employer in any work, and whose total earnings during the last calendar year did not exceed £260.

The term does not cover a barrister, solicitor, conveyancer, legal practitioner, medical practitioner, surveyor, chemist, public analyst, veterinary surgeon, dentist, optician, consulting engineer, architect, public accountant, actuary or auditor, or any person retained or engaged to render professional services, or a person who contracts directly with an employer for the performance of work not performed solely by him, an auctioneer or agent, or an indentured apprentice.

UNEMPLOYMENT COUNCIL.

The Bill provides for the constitution of an Unemployment Council composed of (a) the Minister, who shall be Chairman of the Council; (b) a Judge of the Court of Industrial Arbitration; (c) the Director of Labour; (d) a workers' representative elected by the industrial unions; and (e) an employers' representative elected by the industrial associations of employers in the State.

The Council is empowered to obtain all available information as to the condition of the labour market, and may inquire into the causes and extent of unemployment within the State and, amongst other things, report to the Governor in Council as to the most effective measures to be taken.

The Governor may by Order in Council from time to time order and direct employers to do such things and take such measures as in his opinion will be effective for temporarily or permanently reducing or eliminating unemployment within the State.

RELIEF WORKS TO REDUCE UNEMPLOYMENT.

If, at any time, the extent of unemployment is such as, in the opinion of the Council, to require special measures, the Council shall report to the Minister as to the number and classes of workers unemployed in the various localities affected, and in such report may state the nature of the work which will afford the greatest relief. Such report shall be submitted to the Governor in Council who may (1) provide such government work as will tend to afford the greatest relief of unemployment in the localities affected; (2) by Order in Council direct the local authorities to commence and carry out certain works; (3) by Order in Council direct any company, person, or firm, carrying on business, whose taxable State income in respect of the immediately preceding period of assessment of that tax, exceeded £15 per centum on the capital actually invested in such business, and provided the amount of such income exceeded in the case of a company £10,000 or in the case of a person or firm £5,000 either :—

(A) to create employment by investing moneys to the extent directed in developmental work or work of benefit to the State, either in connection with the business carried on by such Company, etc., or otherwise, or

(B) to invest in Government securities of the State of Queensland such amount and within such time and at such rate of interest and on such terms and conditions as may be directed.

For default in respect of any Order, the Governor in Council may impose upon any company, person, or firm, a fine not exceeding one-fourth of the moneys directed to be invested in work or securities. A copy of the Order imposing such fine on being filed in the office of the Registrar of the Supreme Court may thereupon be enforced in the same manner as if it were a judgment of that Court.

To enable any local authority to conform with any such Order it is entitled to obtain the necessary loan from the Treasurer. In the event of failure to comply with any Order, the Minister may be empowered to conform with the Order, and, if deemed necessary, may obtain a loan and recover all costs, etc., from such authority or body.

The local authority may be recouped out of the fund any loss resulting from certain relief work being commenced or carried out by the Treasurer or by the authority at an earlier time than it would otherwise have been or owing to some other good and sufficient cause. In the event of the demand for labour in any locality where relief work is being carried out so increasing as to render the continuance of the work no longer necessary, the Governor in Council may direct that it be discontinued. Works to be carried out by any local authority may be postponed by the Governor in Council until the slack season of the year, so that as far as practicable employment in the locality in question shall be constant through the year.

LABOUR FARMS.

Crown lands may be set apart for labour farms. Such land shall not be liable to rating by the local authority.

The Minister may admit into a labour farm any man who, in his opinion, is normally unemployable and who is unable to support himself otherwise. He shall be paid in money for the work performed such wages as the Minister may fix.

UNEMPLOYED INSURANCE FUND.

Provision is made for the creation of a fund in the Treasury, into which all moneys received by way of assessment from employers shall be paid. All payments in respect of unemployed workers and of administration are payable out of this fund.

The Minister shall make an assessment on every employer in respect of each financial year. The assessment payable by each employer in respect of the financial year ending 30th June, 1920, shall be a sum equal to £2 for each worker employed by him in the calendar year 1919. The assessment payable in respect of each subsequent financial year shall be fixed by the Minister upon the recommendation of the Council, and shall be based on the number of workers employed by each employer in the year in question or on such other basis as may from time to time be prescribed. The number of workers employed in any year shall be the average of the number of persons (whether or not the same persons) employed on each working day during such year. For the number of workers (whether or not the same persons) who have been continuously in the service of the same employer during the whole of the year in respect of which the assessment is made, the employer shall be entitled to a rebate of assessment.

If an employer fails to pay the amount of an assessment, payment may be enforced together with one-tenth more by way of penalty.

Remission of the whole or part of the assessment may be made where the Minister is satisfied that it would be a hardship on an employer to enforce payment in full in any year.

RIGHT TO WORK.

Every unemployed worker shall have the right to be registered for employment at any State Labour Exchange. If after the expiration of fourteen days from the date of his registration any worker who has been *bona fide* resident in Queensland continuously for twelve months immediately prior to such registration has not been provided with work, he shall, until so provided with work, have the right to be paid an unemployed sustenance allowance at the prescribed rate appropriate to his case. The condition of residence within Queensland shall not apply in the case of returned soldiers or members of the Military or Naval forces who have been absent on active service, if prior to enlistment they were *bona fide* residents of Queensland. No sustenance allowance, however, shall be payable to any such person whilst he is entitled to unemployment allowance from any Repatriation Department. No aboriginal alien, native of Asia, Africa, America, or the Pacific Islands shall be entitled to receive any such allowance. If the worker, at any time after his registration, without reasonable excuse, refuses or has refused to accept any work offered to him, whether through the Labour Exchange or otherwise, he shall not, for fourteen days after such refusal, be entitled to receive any allowance.

After registration the worker must attend to seek employment at the Labour Exchange at such times as are prescribed by the regulations.

Any worker who has become unemployed solely by his own fault may be disqualified by the Ministers for a period not exceeding three months. Provision is also made for disqualification in the case of persons on strike.

RATES OF SUSTENANCE ALLOWANCE FOR UNEMPLOYED WORKERS.

The rate of sustenance allowance shall in no case exceed one-half of the amount of wages payable weekly under any award or in accordance with the prevailing rates of wages. For the purpose of allocation of the allowance, Queensland is divided into three districts, viz.: Southern, Central and Northern, according to location in which the rate varies as follows :—

Individual workers whether male or female, unmarried widowers or widows, from 17s. 6d. to 22s. 6d.; married workers—male worker living with his wife and any dependent children, or female worker living with her husband dependent upon her earnings and any dependent children, 25s. to 35s. per week. In addition, for each child of a married worker or of a widower or widow (not exceeding four children) under 16 years of age living with and dependent on the worker, 4s. to 5s.

PENALTIES.

Any person guilty of an offence against the Act shall be liable to a penalty not exceeding £100. If such person is a Company, the individual person guilty of the offence, and also the Managing Director or Manager in Queensland of the Company, shall each of them be liable to the like punishment.

Regulations providing for all or any purposes of the Act may be made from time to time by the Governor in Council. Regulations may fix the penalty not exceeding in any case £20 for any breach thereof.

LEGISLATIVE ASSEMBLY.

The Secretary for Public Works (Hon. E. G. Theodore), in moving the Second Reading (2nd September, 1919), said he took it that the Bill was the first practical attempt made anywhere to deal with the question in an adequate manner. A criticism might be directed against the scheme on the ground that powers were sought which might be arbitrarily or unwisely exercised or more drastically applied than was necessary. That was an argument which could be directed against almost any kind of legislation. If legislation was to be opposed on that ground nothing would be done anywhere. The cardinal features of this scheme might be said to be (1) the establishment of an unemployment council; (2) relief works as a remedy for unemployment; (3) the "right to work" provisions, and the unemployment insurance scheme; (4) labour farms for the normally unemployable; and (5) other minor and ancillary provisions. The greatest obligations under the Bill rested upon the Government and, as a matter of fact, they had absorbed 2,500 men in the last seven months in Government work. Where unemployment might be occasioned by the stoppage of private enterprise, the Government would have to start works in order to absorb the men. It was easily conceivable that the Government might have to start work, or put on a sufficient number of employees such as would require the expenditure of £1,000,000 in the course of a year to get these men employed. The Workers' Compensation Act provided for an assessment on the average amount of wages paid varying from 5s. to £3 per employee. But in the case of the present Bill the assessment would be more equitable, as it would be based on the *per capita* number of employees engaged. The Government had given sufficient consideration to the scheme to know that, if given a fair trial, it would justify itself.

THE LEGISLATIVE COUNCIL.

The Hon. A. G. C. Hawthorn, on 30th September, 1919, during the debate on the Second Reading, said the object of the Bill was really to give the Government power to levy what they liked on private capital, and to interfere with private enterprise. In England the national insurance fund was levied on three sets of persons—the employees, the employers, and the Government. The employers were not made to pay everything. If this Bill were passed, people with capital in Queensland would leave the State. They would open up

business in the Southern States and send their goods to Queensland on the same terms as their competitors. The Bill would also prevent the opening up of new industries. The Bill offered no inducement to any man with capital who desired to employ more than five workers to put money into a new business. It would make him restrict his business. The Commonwealth Statistician showed conclusively that unemployment was greater in Queensland than in any other State. With regard to seasonal occupations, where a man was employed for perhaps six months in the year, the Industrial Arbitration Court met the position by fixing the wages in their occupations at a higher rate so as to meet the want of employment during a portion of the year. The effect of the Bill would be to reduce these wages as the Court need only allow for the time the man might be employed.

In the unemployment council the employers' representative would have at least three if not four members against him. He was likely to be opposed by a Minister who represents a class, and who says "Down with capital." Was not the Director of Labour likely to be with the employees' representative more than the reverse? Further, the local authorities had no representation on the Council and they were to be made to provide work whether they had money or not. The Council was wrongly constituted. The unemployment fund was a levy on private capital. There was no limit as to what the Minister might fix as the assessment, nor as to what he would allow as rebate.

The clause relating to Relief Works was as objectionable. If any business was paying more than 15 per cent., it would be liable to be called upon to create employment by investing moneys for developmental work—no matter if for years before the business had been paying only three or four per cent. Under that clause the Government could compel authorities to take a loan from them, notwithstanding any limitation on their borrowing powers. One objection to the labour farms was that the Government would not pay any rates to the local authorities. The Government were going to wipe out industrial awards. The Minister fixes the wages. Probably the man who is a supporter of the Government might be paid £2 10s. for 5s. worth of work.

"Right to Work."

Under the "Right to Work" clause the Government could compel any man who wanted work to become a unionist and then give him preference. If he did not, they could refuse to give him work. Why should a man before he secured the right to live be compelled to become a member of

a union? Any person who went on strike should not be entitled to receive sustenance allowance, but there was a proviso which gave the council power to pay sustenance to any number of strikers they liked, and that money would be paid out of a fund provided by the employers against whom the workmen were striking.

The provision in regard to the issuing of orders gave the Government as great a power as had the Commonwealth Government under the War Precautions Act. Why should there be no appeal against the order of the Minister? The scheme of the Bill was too drastic and arbitrary. Let the Government bring in a proper Bill and they would get the support of the members of the Council.

NEW ZEALAND.

The First Session of the twentieth Parliament of the Dominion commenced on 25th June, 1920. The debates of this Session will be dealt with in the next number of the JOURNAL.

SOUTH AFRICA.

The First Session of the third Parliament of the Union of South Africa opened on 19th March, 1920. The following summary deals with the Parliamentary debates from the 26th March onwards, as the first part of the Session was treated in the April issue of the JOURNAL.

LEAGUE OF NATIONS AND DOMINION STATUS.

(Constitutional Conference, etc.)

On the Estimates (Vote 4, Prime Minister, £30,058), an important discussion took place in the House of Assembly on 21st and 23rd June, when the relations of South Africa with foreign countries and within the Empire were dealt with and references were made to the League of Nations, to the forthcoming Imperial Conference on the Constitution of the Empire, and to the status of the Dominions generally.

DEBATE IN HOUSE OF ASSEMBLY.

Mr. F. W. Beyers (Nationalist, Edenburg, O.F.S.) stated that the Government were hand in hand with the Unionists, and were not going in for an actual Coalition simply because they were nervous of losing all their support in the country. Dealing with the League of Nations, Mr. Beyers said that the speeches of many great statesmen showed that the League of Nations was nothing but a confirmation of the *status quo ante*. The economic boycott of Germany was still pursued, and the Union Government could not be absolved from co-responsibility in the shameful policy which was being followed. The Conference to be held next year only had one aim, viz., that of making the whole of the Empire speak as with one voice, and to that the whole of Dutch-speaking South Africa protested, as it did not wish to be tied for ever to the British Empire. Mr. Beyers complained of the delay in the arrival of the mandate for German South-West Africa, and said it appeared to him that the League of Nations was going all over the world to-day begging for mandatories. German South-West, a country with an enlightened population, was to become an integral part of the Union. Where was the country's right of self-determination? He quoted from Clause 11 of the League of Nations constitution to prove that South Africa was in danger of being drawn into the whirlpool of European

politics. He reiterated the Nationalist Party's desire for South Africa to recover its independence.

Coming to the amount of £20,000 on the Estimates as a contribution towards the expenses of the League of Nations Secretariat, Mr. Beyers asked where it was going to end—how could South Africa afford it? He objected to the King having the right of veto over South African Acts. That clearly showed that South Africa's status was not the same as that of England.

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts): "Was the right of veto ever specifically withdrawn in England?"

Mr. F. W. Beyers: That right in England was not laid down in any English law, but in South Africa it was specially laid down. He protested against an appeal from the South African Court of Appeal lying with the Privy Council, which knew nothing of South African affairs. The hon. Member referred to statements by Mr. Bonar Law and Mr. Chamberlain to show that England would not object if part of the Empire wished to secede. Consequently, General Smuts was the only statesman who denied that right to the Dominions. He also declared that there was a deliberate campaign to prevent the Dutch language from having equal rights with the English language. The whole cause was that Ministers were afraid to give offence to their Unionist friends.

Col. F. H. P. Creswell (Leader of the Labour Party) asked who was the Union's representative on the League of Nations and what representations were made on their behalf. He did not grumble at the expenditure, provided the League came up to expectations, but he complained of a lack of information on the subject from the Prime Minister.

Col. Creswell, continuing, said that Great Britain had no business to supply arms and ammunition to Poland; and that the use of black troops in the middle of Europe in times of peace was a bad thing, and a matter in which South Africa was particularly interested.

The Rt. Hon. John X. Merriman (South African Party, Stellenbosch) said that personally he had never had any great faith in the League of Nations, and he thought it was coming to the same end as the Holy Alliance. He wanted to ask the Prime Minister whether there was any truth in the statements that a determined effort was being made in Great Britain by the Prime Minister to shuffle the League of Nations off and substitute for it a sort of triumvirate, called the Supreme Council, to manage the whole affairs of the world, dictate everything, and leave the League in many cases to bear the odium of its mistakes? He also asked if the Prime Minister knew about the secret treaties going on, and said he would

like information as to the circumstances under which Greece was being shoved into war with Turkey.

If the League was going to be shuffled off, and a Supreme Council set up, he asked what was the position of South Africa, as partner, in the League of Nations? He declared that he could not imagine anything worse than that they should be under the heels of a Council of Three, with whom they had no connection, except as partners in the League.

The £20,000 which they were asked to subscribe seemed to him to be a very large quota, and he would like to see it made smaller.

Mr. Merriman also said that he would like information about Poland; and considered that as Poland was a partner in the League, she should have informed her other partners instead of plunging into war with Russia.

He declared that South Africa ought to have some representative in London who could attend meetings of the League and inform them of what was going on.

Mr. C. J. Langenhoven (*Nationalist, Oudtshoorn, Cape*) said that he thought the House and the country were entitled to be informed by the Prime Minister, definitely and clearly, what the policy of the present Government was in regard to the scheme which had been laid before the world on behalf of the Imperial Government for the closer union of the constituent parts of the British Empire.

Alluding to Lord Milner's recent speech in the House of Lords, Mr. Langenhoven remarked that Lord Milner had laid down the absolute equality of the Union to manage its own affairs and external affairs. The whole speech of Lord Milner was a complaint that they were running a grave risk that the Empire might not speak with one voice, and he (Lord Milner) thought some stronger means than Imperial Conferences were required to obtain unity of action within the Empire.

Mr. Langenhoven, continuing, declared that there must be no more secret Imperial diplomacy. South Africa was entitled to know what was going to be done on her behalf and against her. She had been represented at Imperial Conferences, but the questions dealt with at those Conferences had not been debated previously in the House.

The next Imperial Conference would be the National Convention of the Empire, and opinions expressed there by the Union's representatives should be the opinion of South Africa.

Referring to the recent statements of General Smuts, Mr. Langenhoven said that he understood General Smuts was prepared to take his stand against any infringement of South Africa's complete autonomy; and that she was not

to be drawn any closer to the Empire than she was to-day. If, therefore, the British Government, or the majority of the British Dominions were seeking to impose their will on South Africa in a contrary direction to her will, then they would look to General Smuts to stand against that, and to maintain South Africa's position of independence in the future. If they were free to enter into a compact with Britain and the other Dominions as perfectly equal Allies, then let them be so many sovereign states and constitute the British Empire; but he thought that to bind them down by detrimental alliances would bring them to a far worse level than a Crown Colony.

Dr. L. Forsyth (*Labour, Cape Town, Gardens*) said he thought it would be much better if the Union dropped the vote it had in connection with the League than that the world should be made to feel that England was trying to dominate the League of Nations.

The Prime Minister (*Lt.-General the Rt. Hon. J. C. Smuts*) in reply said that the character of the debate showed what enormous progress had been made in the country, and he thought it was an indirect proof that there had been a great step forward in the status of South Africa. It had been a debate on the foreign relations of South Africa, and a proof of their responsibilities which they felt in connection with the affairs of the world.

Referring to the League of Nations, the Prime Minister said he was free to admit that in its early days the League had not responded to the great hopes that were entertained for it. It was the ideal that had been looked forward to by all the most earnest minds as a means that might lift the world again from the abyss into which it had sunk, and they must bend their energies and lend their strength to make it a reality in the affairs of the world.

Difficulties Facing League : Supreme Council.

He pointed out that several circumstances had militated against the success of the League, but the greatest of all, perhaps, was what he might call the defection of America. That country was influenced partly by the Monroe doctrine and also by the six votes given to the British Dominions. Another difficulty was the activities of the Supreme Council alongside of the League, the result being that the impression had spread that the Supreme Council was usurping the functions of the League. The time was not far off, he hoped, when the Supreme Council would recognise that it was best after all for the recovery and reconstruction of the world that the Supreme Council should not conduct its activities separately from the Council of the League of Nations, but that the

two bodies should combine ; otherwise great dangers were before the world. Of the five great Powers, both America and Japan were standing apart, and they were left with Great Britain, France and Italy. The latter was struggling with an overpowering load of internal difficulties, so there were left Great Britain and France to be responsible for the state of affairs which had arisen and must be remedied. It was hopeless to expect that two Powers could right the situation in the world which was daily becoming worse. The third blow received by the League of Nations had been the Polish War, which had undoubtedly done more to make people realise the apparent impotency of the League than anything else. A great new war was starting in Europe by a nation which was the creation of the League.

It was clear, said General Smuts, that the great European statesmen dealing with this matter were perplexed and puzzled how to act, and it would be folly on his part to rush in where they feared to tread. It was only by focussing public opinion on these events that they would be able to right the situation. Opinion was being formed which would have the result that the action of Poland might give the League its opportunity of making people realise that, unless the League was forced to and did take action, the future of Europe would be very dark indeed.

Representation on League : Expenses.

Replying to a question which had been asked by Colonel Creswell, General Smuts said that on the Council of the League they had no representatives save the official British representative, but they were represented on the general League of Nations. So it had not been possible for them to take any action in regard to the activities of the League. In regard to the amount of the contribution of expenses to the League to which Mr. Merriman had referred, that amount was dependent on a clause which stated that members should contribute to the expenses of the secretariat on the same basis as they contributed to the International Bureau of the Postal Union. Twenty-five nations with great correspondence belonged to the first class of that Union. South Africa happened to be among the nations of the first class in the Postal Union and therefore paid on the same basis towards the expenses of the administration of the League as the Great Powers did. The re-allocation of the expenses among the Members of the League was one of the matters which would be discussed at the forthcoming meeting at Brussels. The influence of South Africa, which had been very great in the formation of the League, should

give it every chance, and he did not grudge it one penny if they knew the League was going to contribute towards the creation of a better world.

Future of League.

He thought this ideal was powerful enough, and that it had internal strength enough to carry it through in the history of the world. It had made a very small and insignificant beginning, but he believed that it embodied a great hope for mankind, and that the hope was strong enough and the circumstances of the world to-day were black enough to lead to its realisation, to its growing force, and to its becoming a real factor in the affairs of the world.

Position of British Empire: New System.

The next point of importance which had been raised was the position of the British Empire. Unless they could get away from the spirit of exclusion and of selfishness they were likely to see a recurrence of those calamities which had already come over the world. Let them feel that they were members of one another, that the human race was one, and that the affairs of the world and the affairs of the Empire did concern them in the closest manner. It had been brought home to them in the most tangible and understandable way that they were linked up economically with the rest of the world.

In the British Empire to-day they had quite a peculiar situation of that character arising. The old system had departed. Under that system there was one dominant member who could conduct affairs for the rest and could speak for the rest. The problem that now arose was how were they going to conduct the affairs of this Empire upon a common basis where they had no longer one great Power speaking for the whole, but six independent, equal, free members of this great League? Lord Milner had pointed out that the Imperial Conference did not really answer the needs of the case any longer. He pointed out what had been pointed out by him (General Smuts) and many others—that the time had come for them to clear up the situation which had arisen. The change that had come about was recent. It found its formal expression in their presence and participation in the deliberations at Paris, and in their signing the Peace Treaty. That was the formal recognition of the new position of the Dominions that in foreign relations they were to take a part and speak for themselves, and that they would no longer be bound by the voice and signature of the British Government.

Other Steps Necessary.

Paris was the first step, and they had to follow the position in detail if they wanted to reach clearness and definiteness regarding the relations of the nations in the Empire. Take, for instance, the method by which correspondence was conducted with the British Empire. All their formal correspondence was conducted through the Colonial Office. That was an anomaly. The Colonial Office, such as it was to-day, was a proper institution years ago, when the British Empire was on the old basis, but on the new basis, why should they conduct their correspondence with the Colonial Office? There were many other questions which had to be cleared up.

Problems for Constitutional Conference.

The only way to clear up the situation was to call this Constitutional Conference, and he hoped that, if it were called next year, it would be able to go thoroughly into the whole position, and on the basis of the equality of the various parts of the British Empire, frame a scheme which would make it possible for them to be free, to be equal, but, subject to the retention of their freedom and equality, to see in what way they could conduct the affairs of the Empire, in which all were interested, on a common basis. Mr. Langenhoven had inferred from Lord Milner's speech that this could only be done by the majority binding the minority, and if so, then this new order that was going to be built up in the Empire would mean an inroad on the local autonomy of the separate parts of the Empire.

There were other anomalies. In former days the Governor-General was a representative of the Colonial Office in the old, now non-existent, colony. The position had changed and the old self-governing Colony had become a Dominion of entirely different position and standing, and the Governor-General ought now no longer to be the representative of the British Government or the Colonial Office in the Dominions. That was admitted. Under the new system the Governor-General should be what he is called under the Constitution, the representative of the King, and nothing else. Whereas the Governor-General, instead of being the representative of the King, and the supreme executive power in the Dominion, also represents in some undefined way the British Government and the Colonial Office.

No Voice in Foreign Affairs.

There was a much more serious matter, and that was the position of South Africa in regard to her foreign relations and

affairs. The British Government seemed to be conducting, just as heretofore, the foreign affairs and relations of the Empire. "We have taken to ourselves the right of equality," the Prime Minister declared, "but in practice we are still represented in our foreign relations by the diplomats of the Foreign Office." Although they had risen to the position which had been described, yet, as their institutions were to-day, they had practically nothing to say in regard to their foreign relations. With regard to commercial affairs the case was different, as the Dominions had their own trade representatives all over the world. But, apart from commercial relations, as regards diplomatic representation and foreign policy the British Government was supreme, and controlled the situation.

The Canadian Precedent.

Canada, General Smuts continued, in reply to a question, had made a departure of most far-reaching consequences. She was now and in the future to be represented by her Minister Plenipotentiary with full power on behalf of Canada to conduct negotiations with the U.S.A. Government at Washington. That was the first precedent, and members could see that a new situation had arisen in the new status of the Dominions, which required reconsideration of the whole matter. If there was to be closer union, they should have this Conference, and doubts should be cleared away and the constitutional position as now developing should be laid down and understood, especially in the United States of America, as there was no doubt that there was a complete misunderstanding in that country about the world-position of the Dominions. He agreed with Lord Milner and what had been said, and if this Conference did its work in a proper way, it would become a great landmark in the history of the British Empire and of the world.

Parliament and the Conference.

Such a Conference, he hoped, would be called next year, and he hoped South Africa would take its part. With regard to the claim made by Mr. Langenhoven, he thought that in a matter of such importance the House would have an opportunity of full discussion before the South African representatives proceeded to London or wherever the Conference might be held. He hoped that full opportunity would be given to the country and to Parliament to express its views on this far-reaching question.

Mr. Langenhoven : "You hope, or you undertake?"

The Prime Minister : "I cannot undertake, but if that should happen I hope that the representatives will make as great a fight for this country as I have made in the past."

There was a consensus of opinion, General Smuts continued, about the sort of questions which should be discussed at the Constitutional Conference, and he thought there was a general trend of opinion all over the British Empire as to the sort of answer that ought to be given to this question. He believed that as things were developing—not only in Great Britain, but in the Dominions—there was practically a unanimous opinion that the British Empire could only continue to exist on the basis of complete freedom and equality. A new world had arisen, and a new Empire had to be moulded in consequence.

“One Voice” for the Empire.

That raised another point—how it would be possible for the Empire to speak with one voice. It was felt that its real influence in the affairs of the world could only be exerted by complete unanimity. It was inferred from Lord Milner’s speech, though he did not say so, that the only way this unanimity could be achieved would be to give the majority power to pass resolutions on behalf of the Empire, and that the majority would be in a position to bind the minority. If that were so, then he (General Smuts) agreed with Mr. Langenhoven, that, however much they might talk about liberty and equality, they would be worse off, and they were not going to be coerced by the majority of the Empire in these matters. No resolutions should be taken without the unanimous consent of all the members of the Empire. Let them look to that as bed rock, and he would never agree to the voice of South Africa being smothered, or the opinion of South Africa being coerced by the majority vote of the rest of the British Empire, and he was sure that the other Dominions would take up the same position. That was the ground which should be taken not only by the Dominions, but by the British Government—that no resolution could be taken binding on any part of the Empire without its free consent. The only method would be the Conference system, and if they could agree to take a resolution, well and good; and if they could not do so, then they would have to go on without agreeing. He was sure that if they brought together the important statesmen from the various parts of the British Empire and discussed these great common questions—foreign relations, defence, trade, and so on, not only in their own relations, but also in their relations with the rest of the world—the same solution would be arrived at.

Peculiar Position of South Africa.

Continuing, General Smuts said he felt that it was entirely in the interests of the British Empire, and the world,

that there should be such a Conference system where they discussed each other's affairs. He wanted South Africa to exert its influence in the world. It stood with its feet in both worlds : one section of its population, unlike the other British Dominions, had one foot on the Continent of Europe and the other on the British Isles, and very often its point of view was dominated by the Continental aspect of the case. The newer population came from the British Isles, and they were more and more dominated by the English point of view. This gave South Africa a very peculiar and a very important position, and that was why they could see both sides of the case better, perhaps, than statesmen in other parts of the world.

Freedom within the Empire.

The things he stood and fought for twenty years ago, General Smuts went on, he stood for to-day. But he had changed in one respect, and let him admit it freely. In the old days he thought the only path by which their ideal could be reached was by a Republic in South Africa, and for that Republic he fought ; but he had learned from the events in which he had taken part since that there was another way for South Africa to become great, free and independent without taking the road which he thought was essential twenty years ago. It was not necessary to talk about secession, or the right to secede, in order to achieve the ideal they were after. It seemed clear that if they wanted to reach their goal and remain in harmony with the British Empire and keep all the parts working together, they must follow this system of free deliberation and consent. The final decision so far as that Union was concerned rested, and would always rest, with one country and one body only—South Africa, the South African Parliament and Government. Let it be clearly understood, that, so far as he was concerned, whatever decision was to be taken and whatever final say was to be said with regard to South African affairs, it would not be said in London, or at any Conference, but by the people, the Parliament and the Government of that country. Nations were ceasing more and more to be isolated within their own boundaries, and it was necessary for the whole world to exchange ideas and so to prevent the danger of misunderstanding. He hoped that South Africa, without any fear, with open eyes and with faith in the future, would embark on this road, protecting her own rights and continuing her status, and determined always to do the best for herself, but never in a selfish way—to co-ordinate her own interests with those of the British Empire and the world as a whole.

General Smuts added that he took Lord Milner's statement not only as entirely harmless, but as entirely required by their own interests there.

South-West Africa.

Turning to South-West Africa, General Smuts said the Government were going to treat the assets and liabilities of that country as portion of the Union. This was the only position to take up.

They intended to give South-West Africa every chance possible in order to become a prosperous and contented part of the Union, until, he hoped, the population would say that they wanted for good and all to remain part of the Union.

Amendment Withdrawn.

Mr. C. J. Langenhoven said he understood that the Prime Minister undertook that they should not be represented at the Conference without a previous full discussion in the House, and he had stated that he would not be a party to any arrangement whereby the dissenting minority would be bound by a majority vote. In view of these statements he withdrew his amendment.

Message to the League of Nations.

Col. F. H. P. Creswell suggested that all parties in the House should unite in sending a resolution containing a message to the League of Nations that they desired to see the terms of the Convention more strictly adhered to, and thus try to put a stop to the present chaos in Europe. Nationalist members, he added, wanted nothing to be done which would prejudice the future of their ideals. Was it not reasonable, then, that English-speaking South Africans, believing as they did that it was possible to enjoy the greatest freedom, at the same time remaining in unity with the other Dominions of the Empire, would wish that nothing should be done to prejudice the future of their ideals also?

Parliament and the Conference.

Dr. D. F. Malan (Nationalist, *Calvinia, Cape*) complained that when the South African representatives had on previous occasions been sent to the Imperial Conferences the people of South Africa had been completely ignored. Neither Parliament nor the country had been given the opportunity of instructing the delegates to those Conferences. The Australian delegates had taken up a very different attitude,

and had consulted their Parliaments. He ascribed the change in the status of the Dominions to the objection of the Dominions to be dragged into wars and conflicts without having had any say. At the same time he expressed great nervousness at the prospect of the proposed Conferences, which seemed to mean that South Africa was to be consulted, with the result that they would afterwards be dragged into all kinds of imbroglios.

Secret Foreign Policy : Governor-General.

Dr. Malan said he feared that the foreign policy of the Empire would have the effect of South Africa being compromised over and over again ; that the foreign policy of the Empire would remain as secretive as ever ; and that only when war was declared would they know what the real position was. He hoped that matters of international policy would not in future be kept secret, but would be open and public.

In the course of his further remarks Dr. Malan said that the Governor-General should in future be appointed on the advice of the Union Ministers, and not on the advice of English Ministers.

Imperial Conference and Raw Materials.

He objected to a Commission which had been appointed to inquire into the mineral resources of the Empire, and expressed the opinion that the minerals of South Africa were the concern of South Africa and not of the Empire. Certain resolutions passed by the Imperial Conference aimed at utilising the raw materials of the Dominions in such a manner as to make good the damages of war suffered by England.

The Hon. Sir Thomas Smartt (Leader of the Unionist Party), referring to the extracts from the proceedings at the Imperial Conference quoted by the last speaker, said Dr. Malan never gave one instance where those Conferences had discussed or done anything detrimental to the best interests of all sections of the Union of South Africa.

Dr. Malan's position was to try to put every obstacle in the way of any solution being arrived at. Did he not know that one of the great ties that bound the Empire was the tie of common defence ?

League of Nations ; Union Flag ; Naval Defence.

Their duty was to do everything they could to assist the stabilisation of the League of Nations, which he considered was never intended at the Peace Conference to deal

with the present condition of affairs existing in Europe, considering that the League had never been given military resources to see that the fulfilment of the Peace Treaty was carried out.

Referring to Dr. Malan's statement in regard to the Union flag, Sir Thomas Smartt pointed out that so long as South Africa was a portion of the British Empire, there could be no objection to the emblem of the Empire forming portion of the flag designed.

In regard to the question of wool, he added, had it not been for the protection of the British Fleet, not the Fleet of England but of the Empire, it would have been impossible for South African wool to be marketed.

Progress was then reported and leave obtained to sit the next day.

SOUTH-WEST AFRICA MANDATE ACT (EXTENSION).

In the House of Assembly on 16th June, 1920, the Prime Minister moved the following resolution :—

“That this House resolves, under Section 5 of the Treaty of Peace and South-West Africa Mandate Act, 1919, that the operation of the provisions of that Act shall be extended until 1st July, 1921.”

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts) said that the object of the Act had still to be carried out to a very material extent. There still remained the assets which belonged to Germans not resident in the Union to be disposed of. The subject was not yet ripe for decision, but he hoped it might be possible to come to a settlement during the present Session satisfactory both to the Union and the holders of the property. If the Act were not continued these properties would remain vested in the Trustee of Enemy Property.

Authority as Mandatory Power.

The other object of the Act was to give power to carry out the Mandate for South-West Africa. The formal Mandate had not yet arrived, and he did not know when it would arrive. They were placed in this difficulty. They had been governing South-West Africa under martial law, but that position was not in the long run defensible; an injustice might be done to the population of the territory. They had to make up their minds what they were going to do. He hoped they would take up the position that they had been entrusted by the

Supreme Council of the League of Nations with the Mandate. There was no doubt whatever about the general scope and question of the authority they had to exercise as the Mandatory Power. That was set out in Section 22 of the Peace Treaty.

They could not keep the people of that country in an impossible position until the Council of the League of Nations had made up its mind on questions not affecting South Africa in other parts of the world. It was possible for them to establish a regular Government apart from martial law in that country. They had complete power of legislation, of taxation, of approving of old laws, of changing the laws and of passing new laws by proclamation. They had complete authority under the law of last year to establish and settle a fixed form of Government for this territory. He thought they ought to arrange a proper Government, and for that the provisions of this Act were required.

Withdrawal of Martial Law.

Although they had not arranged any form of Government for the country, a great deal had been done since September last in order to establish the proper institutions for good government. Formally they had still maintained the old basis of martial law though not in any acute form. It would be necessary to withdraw martial law at an early date. He wanted to go to the territory as soon as Parliament was prorogued, and meet all sections of the public and discuss their problems with them. He did not think that the difficulties which had arisen there were great. He thought it was fair to the people of South-West Africa, both the old and the new population, that he, as the man principally concerned, should take personal note of the facts.

It was difficult to say when the Peace Treaty would be completely executed, but certainly until they met next year an extension of this Act would be eminently necessary to inaugurate a basis of law, order and good government.

The Right Hon. J. X. Merriman (South African Party, Stellenbosch, Cape), in seconding the motion, said that the Prime Minister had enlarged a great deal upon Section 22 of the Peace Treaty, and had said that it described the limits and scope of their Mandate. Unfortunately, there was more in it about limits than scope. As regards South-West Africa, they were under the delimiting authority of the Council of the League of Nations, an impotent body. He was sure members would be glad to see martial law removed from anywhere where it was in operation. In South-West Africa martial law had been exercised with great discretion, and with as little ascerbity as it was possible to have with such an obnoxious

thing. The Administrator deserved great credit for his tact. He hoped the Prime Minister would see that South Africa got as much scope and as little limit as possible under this Mandate. He wanted to see the country annexed, and made part of the Union, so that they might be free from the shackles of the League of Nations.

Dr. D. F. Malan (*Nationalist, Calvinia, Cape*) said the Prime Minister's important statement had considerably changed the aspect of matters as they appeared before. Last year they had been told that there was no alternative to martial law because the Mandate had not been received. Now General Smuts said that the Mandate need not be waited for. As this entirely changed the situation, he wished to have an opportunity to consider matters, and would therefore move the adjournment of the debate.

The Prime Minister consented to the adjournment.

NATIVE AFFAIRS BILL.

The object of this Bill is to establish a Commission and Local Councils and make provision for native conferences, with a view to facilitating the administration of native affairs.

The Bill provides for the establishment of a Native Affairs Commission with the Minister of Native Affairs as Chairman, and this Commission shall consider any matter relating to the administration or legislation of the native population (excepting matters of administrative routine). The Commission shall make recommendations to the Minister of Native Affairs, and in the event of the Minister not accepting the recommendation the Commission may require the matter to be submitted to the Governor-General in Council, and as a final resort may require that all papers relative to the matter be laid before both Houses of Parliament.

The Bill permits the Governor-General to establish a local council of natives for areas where aboriginal natives predominate, having a permanent civil servant as chairman. These councils may, within their own areas, provide for :—

The construction and maintenance of roads, drains, dams and furrows ;

An improved water supply ;

The suppression of diseases of stock ;

The destruction of noxious weeds ; and for sanitation, hospitals, improved methods of agriculture, and educational facilities.

Each council may levy a rate of one pound per annum upon each adult male native resident in its area, with certain abatement in the event of a native being liable to direct taxation by the Government.

The Governor-General may make regulations providing for the consultation of the inhabitants of areas for which a council has been

established, with a view to the selection of members of local councils ; for the periods of office and remuneration of such members ; the procedure of councils and the conduct of business.

Finally, the Governor-General may, on the recommendation of the Commission, convene an assembly of chiefs, members of native councils or local councils and prominent natives, together with other representative natives, with a view to ascertaining the sentiments of the native population of the Union.

DEBATE IN HOUSE OF ASSEMBLY.

In the House of Assembly on the 26th May, 1920, the Prime Minister moved the Second Reading of the Native Affairs Bill.

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts) said that important questions of policy were involved, and it might be more convenient if, before he discussed the provisions of the Bill, he dealt with the question of policy. In his opinion reform was long overdue, and while everything in the country had been moving very fast, he did not think any important departure in native policy had been made in the last 25 or 26 years—ever since the passage of the Glen Grey Act. As far back as the National Convention there were members who felt very strongly that part of the general settlement should be the overhauling and settling of the native question. It was felt that the question was the most important of all in South Africa, and any settlement which did not include the native question would be one-sided.

He was one who thought at the National Convention that that was not the occasion to deal with the native question. First, they should create a united South Africa, and having done that, and under Union, they would have the instrument for dealing with the native question. That view ultimately prevailed, and the result was that in the South Africa Act there was no clear indication of native policy laid down except in two respects. In the first place the old political rights of the coloured people of the Cape Province were entrenched, but it was deemed advisable at the same time to provide that there should be no extension of the Cape franchise to other parts of South Africa. That was the first indication of native policy laid down in the South Africa Act, and the other, equally important, was contained in the schedule of the Act, which laid down that in the event of the incorporation of the Native Territories in the Union a native Commission would be appointed which would advise the Government in regard to the administration of territories so incorporated. To some extent the main provisions of the Bill were in accord with the schedule of the South Africa Act.

Previous Attempts : "Segregation" Policy.

In 1913 it was thought the time was ripe for the Government to come forward with a declaration of policy, and in that year the Native Land Act was passed as the first instalment. The governing idea in those days was "segregation," territorial and otherwise. It was thought that the proper solution of the native question was to divide South Africa into two camps, white and black, and build up specific institutions which would give scope to both parts of the population. Under that Act a Commission was appointed to demarcate the areas in South Africa which should be white or native.

The Commission did not report until 1916, and in 1917 the Government came forward with a very important and far-reaching Native Affairs Bill. It was very fully discussed in the House, and after passing its Second Reading was sent to a Select Committee. By 1917 it was clear that the policy of the Government had encountered very heavy weather; the impression among some portion of the native population was that the Bill was not intended to help them, but that it was a policy of repression to oust them from the land. The misunderstanding among the natives was added to by the discussion on the Second Reading, where there was a division on Party lines. When the matter came before the Select Committee and the schedule areas came to be inquired into, it was found that those areas would have to be revised, and the result of the recommendations was that local land committees were appointed in order once more to go over the work, consult the natives where possible, and reconsider the boundaries of the native areas as laid down in the Beaumont Commission report.

He had gone through the reports made by the four Committees, and found they recommended very important alterations in the old areas, and it was clear from their recommendations that all four had followed different principles, and it would be impossible to adopt those four reports unless further steps were taken to reconcile them. That was the position in 1917. Differences in the House of a Party nature on a matter of first-grade character where there should have been no differences led to a state of suspicion among the natives all over South Africa, who did not understand the Government's policy in regard to segregation. This was a very grave state of affairs, and in 1918 when General Botha came to London they discussed this question very fully.

The view he expressed to General Botha then he still held, namely, that they had attempted too much in that Native Affairs Bill, and that they should divide the policy into

sections. The first step taken should be to create new machinery for shaping a correct native policy for the future. General Botha agreed with him.

Native Distrust.

Whilst they were in Paris a native Deputation came to see the British Government about their grievances. He did not know if hon. Members had seen their petition, but he must say that, when he read it, it appeared to him an appalling document. He was not speaking particularly of the personal statements, although a good many assertions made were largely untrue, but he was impressed by the spirit of distrust of the white people of South Africa visible in the document.

When he came back to South Africa, the Prime Minister continued, he found that the state of affairs with regard to the natives had grown much worse, partly owing to the psychology of the war. The old trust and respect of the white man of a generation ago, when he was looked upon as a superior being by the native, was fast being replaced by something quite different. No doubt the whites had obtained great blessings for the natives. They had brought the inestimable blessing of peace among them, and had to the best of their ability tried to civilise the native, in order that he might partake of the progressive life of South Africa. But there was equally no doubt that the difficulties of the whole situation had become greater as time had gone on, and he thought the most complicated factor was the complete breaking up of the old tribal life and the engagement more and more of the native in the industrial life of the country. There was no doubt that that had worked a complete evolution in native life. The white people had been trying to give to the native a sort of education which was largely unsuitable, and the result was they were leading him on educational lines up to a dead wall over which he could not get and where he was left to the mercy of those agitators who were trying to poison his mind against the white people.

Apart from the political difficulties, the native found that the industrial life of the country had been deepening the antagonism. Moreover, the native might argue, he had no constitutional outlet and mode of expression for his grievances. Only in one Province had he the vote; nowhere was there machinery whereby he could express his own views and bring them to the notice of the Government and the people of the country. All these complications and troubles were leading to an estrangement which boded ill for the future of South Africa.

The Prime Minister went on to urge the necessity of arresting this tendency, of establishing good relations, and recovering

the lost faith of the natives of South Africa. He was absolutely convinced that there was no idea of exploiting the black man, and that the white people meant to be just to him. They had to convince the native of this. The real racial question of South Africa was this colour question; if they failed their future would be dark indeed.

Need of Native Affairs Commission.

They had made one start some years ago, and had failed because their programme had been too ambitious; in his opinion the best course was to create instruments which would help to solve the question in the long run. The first step to be taken was to constitute a Commission, such as was proposed in the Bill, which would consist of experts who would give continuously all their attention to the subject. They would have to study and discuss the problems with the natives and elaborate them with the Government.

The first question which needed more study, and much more consultation with the natives, was that of territorial segregation. They had the work done by the Beaumont Commission, but a good deal more would have to be done before they decided what were fair and proper areas to set aside for the natives. Then there was the question of native education, which was practically the same as that given to the white child. A good deal of the education given to the white child was unsuitable, but in the case of the native it was pernicious, and such a policy must lead to disastrous results.

Another question requiring close study was the life of the native in urban and industrial centres. Natives, taken away from their tribes and villages, were dumped down in the huge centres of population, mainly young men, away from their tribal and family life. Members must realise to what unwholesome conditions a state of affairs like that must lead. He had had continual trouble ever since he became Minister of Native Affairs in regard to these matters. In Johannesburg and all along the Rand, in Cape Town, and in all the great centres of population, the position was felt acutely. As time went on these problems would increase. In the next 10 or 20 years there would be a huge development of industrialism in South Africa, in which natives would be more and more enlisted, and the pernicious and unwholesome conditions owing to the mixture of white and black in the different centres would intensify their problems. He thought one of the most useful functions which the Native Affairs Commission would serve would be to study the urban conditions of native life in South Africa and the conditions which arose in those centres of population where they brought the natives for their own economic purposes.

These were the questions of the greatest importance, but there were others only less important, such as the question of local government, so far as the taxation of natives was concerned, on which the Government ought to be advised. After many years of Union they still had different systems of taxation prevailing all over South Africa. Not even an attempt had been made to redress these anomalies in justice to the native. One of the real admitted grievances was that they had a multiplicity of pass-laws which did the white man no good, but were intolerable to natives.

Those were the questions he would like to set the Native Affairs Commission to work on immediately. The Commission would prepare material upon which not only the Government, but Parliament, could express a sound judgment. If they had a real live body such as the Commission, they would help to create a new atmosphere, in which the present distrust would disappear. A very wide scope was given to the Commission, which would advise the Government in regard to all questions of native policy and legislation, and matters of administrative detail which might be referred to it. If the Government did not follow the recommendations of the Commission, the Commission might report the matter to the Governor-General-in-Council and ultimately to Parliament. In these matters he was adopting the recommendations of the Select Committee which sat in 1917, but in a simpler form. The Government would then have to defend itself to the House. This was the first and main provision of the Bill.

Native Councils.

The next provision concerned the creation of local councils. He had followed to a large extent the model set in the Glen Grey Act, which was working with a great deal of success in the Cape Province, and would be applied to other parts of South Africa where the circumstances were suitable. The local councils would be instituted only in native areas, and would consist entirely of natives with the exception of the chairman, who would be a Government official, and generally the Magistrate of the area. The councils would give natives a training in local self-government; in the end it might be possible to carry out the ideal of parallel institutions for the natives by means of which they could deal with their own concerns. He wanted to remove the stigma from their public life under which the native said he had no part in public affairs.

Native Conferences.

The third provision was that in regard to native conferences. This was not a new proposal, but was taken from the

Transvaal and Free State constitutions of 1907. That provision was never made use of. He had reaffirmed in the Bill the power of the Government to call these conferences, and he hoped it would become the settled policy of the Government to do so, in order that when there was an important question affecting native interests before Parliament, the natives would not be in a position to say they knew nothing about it, as they had said in regard to the Segregation Bill. They should avail themselves in South Africa of this conference machinery and keep in touch with the natives by explaining the various steps to be taken.

In no single respect were the provisions of the Bill novel, and he asked members to make up their minds to pass the Bill that session. After the Second Reading it was his intention to refer the Bill to the Select Committee on Native Affairs, where details could be thrashed out.

The Right Hon. J. X. Merriman (South African Party, Stellenbosch, Cape) said the first step to be taken in putting native affairs right was to have a live Minister for Native Affairs who would be able to devote time and attention to settling the grievances of the natives. Above all, he concluded, they must be careful not to put this measure on to the heads of the natives without consulting them. Any sudden or violent action in their present condition of mind might do a great deal of harm.

Colonel F. H. P. Creswell (Leader of the Labour Party) said there were one or two cardinal matters they had to bear in mind in this native problem: the first was that they might take any measures they liked, but the European people of South Africa could not divest themselves of the responsibility for the civilisation of the country. The next point was that, in studying this native problem, they must not forget that it was not only a political problem, but at bottom essentially an economic problem. As to the political aspect, there was a wide difference of opinion between the European inhabitants of South Africa in the North and those in the older Cape Province. In the North there was a strong prejudice against mixing with the natives, but the same did not apply in the South, and this was a question to which the Commission should give close attention. He would rather see natives directly represented by natives in some elective body than represented in the House by Europeans who could not possibly represent them.

Referring to the Natives Land Bill, Colonel Creswell said he had never had such grave doubts as to the rightness of the vote he had given as in the case of the Second Reading of that measure. At that time they had two conflicting ideas, one providing a real territorial native area apart from the

whites, a principle with which the Labour Party heartily agreed, but incorporated in that Bill were clauses which would have placed thousands of natives in a state of forced labour. The essence of the difficulty was that the Europeans in South Africa were not as the Europeans in India or the West Indies, for in South Africa the European race had grown and flourished, and by an absolutely inevitable process a large number of them were not in the position of their forerunners of being able to get natives to do the work for them. If the Bill, he said, was one infinitesimal step forward to enabling Europeans to appreciate the fact that they would have to do their own work, then he would welcome it. They had to recognise the desire of both races to keep separate; and he suggested that if every assistance was going to be given to the natives to make their territories productive, then that would mean giving up the idea that the native would continue to do the work for the European.

Mr. W. H. Stuart (*Unionist, Tembuland*) said that the Bill was really a blank cheque put into the hands of the Minister with regard to the appointment of Boards. Whatever the personnel of the Boards they would fail utterly to accomplish their purpose unless they bridged the breach to which the Prime Minister referred, and which undeniably existed between the white and native races of South Africa. The constitution of the Boards would not be in accordance with the Selborne provision for five members, because this was intended to come into operation only when an outside area was incorporated in the Union.

He thought the Bill should not become law until the natives had been allowed to give evidence. If not there would be continuous opposition on the part of a section of native opinion. He suggested that even a minority, even an individual, on the Board should be allowed to make representations to the Government and the House. This would simplify the question of personnel.

As to the native councils, he pointed out that in the Bill they were dealing with two types of cases so utterly divergent that it was very difficult to bring them within the Bill. With regard to native conferences, he wished to congratulate the Prime Minister on the step he had taken. It was of the greatest importance they should have consultations with the natives on matters affecting their interests. He assured the Prime Minister that if he would continue to act towards the natives with the breadth of vision that he had displayed that day; if he would promise that there would be investigation before there was law, and that there would be consideration before there was administration, he would find that the gulf fixed was not so wide.

Referring to the question of segregation, Mr. Stuart said the native did not want to mingle with the white man. He wanted separation, but it must be a fair form of segregation in which his rights were protected.

Mr. M. Alexander (*Unionist, Cape Town, Castle, Cape*) pointed out that the Bill provided for consultations with the natives in the future, yet no consultation had taken place as to the Bill itself. Surely this was an admission of failure at the outset.

Mr. C. J. Langenhoven (*Nationalist, Oudtshoorn, Cape*) said that every member of the House was in painful agreement with the Prime Minister when he referred to the change of attitude of the native towards the white man in South Africa. It had been a tradition in South Africa that the white man would fight his battles and the native would stand aside. The sending of thousands of natives from South Africa to Europe to take part in the European War must tend to make the native lose his respect and reverence for the white man.

Dr. T. C. Visser (*Nationalist, Vrededorp, Cape*) said the native should not possess the same franchise as the white man. They should have their own Parliament, let them call it a Native Council if they so desired, which should be under the chairmanship of the Permanent Secretary for Native Affairs, and the requests of that Parliament should be submitted to the Government, which would decide if such requests interfered with the privileges of the white man. If they did not, then they should be passed.

Mr. J. Stewart (*Labour, East London, Cape*) reminded the House that one of the causes of the changed attitude of the natives and the unrest among them was the fact that to them the cost of living had gone up 160 per cent. This had led them to band together for their own protection, a result which was not due to white agitators. Then, in regard to the loss of respect for the white men by the natives, this was due to the existence of poor whites, and it was an effect which must follow when they had a section of the white race working side by side with the natives and living in even worse conditions.

The Hon. Sir Thomas Smartt (*Leader of the Unionist Party*) said there was no question of greater importance than that of the contentment and good government of the native races. He thought the House and the country would welcome the statesmanlike speech of the Prime Minister in introducing the Bill, and hoped that steps would be taken to circulate the speech throughout the native territories in the native language. If it was carefully studied, he said, it might be found to be the means for improving the unfortunate suspicion existing

in the native mind at the present time, a certain amount of which was due, no doubt, to the Natives Bill of 1913, and the Native Land Act of 1917. The introduction of measures of that kind, without the natives having the fullest opportunity of having these measures explained to them by people in whom they had confidence, had a great deal to do with the present suspicion and unrest in the native mind.

An attitude was adopted by certain members in the House, irrespective of Party, who considered that the provisions laid down in the Bill for the apportionment of territories to the natives was of such an inadequate character that it would be bound to do a great injustice. He was surprised to hear Col. Creswell express a hope that the future administration of native affairs in South Africa would not induce natives to come out from the borders of their territories. When they recognised the large number of the native population and the territory held by them it must be evident that it would be necessary to make enormous concessions of land, otherwise they must allow them the right of improving their position by moving about the length and breadth of the country. Therefore, if the House were to consider a policy of that kind, was Col. Creswell prepared to recognise the enormous numbers of the native population compared with the white population, and the enormous grants of land at present held by white people which, in the interests of justice, would have to be devoted to the needs of the native ?

Col. Creswell said his position was that not only should the territory be given to the natives, but that such a degree of help should be given to them to develop those territories as to obviate any desire on the part of the natives to leave them.

Sir Thomas Smartt (continuing) said it would be impossible to hinge in the native population of South Africa, apart from such an action paralysing the whole of the industries of the country. He contended that the native should be allowed to progress in the scale of civilisation and that that could be done without attempting to break down the social barriers existing between the two races of the country. An objection had been made that the Bill had been introduced without due publicity; he did not think there was the same necessity for publicity in this Bill as in the case of the two previous ones to which he had referred. The measure did not propose to take anything away from the native, although it gave him something in exchange. Its sole object was to improve the whole condition of native administration. There were few people more competent to deal with matters affecting their own interests than the more intelligent natives in the country. He thought the Prime Minister should administer the

Native Affairs Department, and it was certainly necessary he should have an Advisory Commission, although whether there should be a representative of the native people as well as European advisers on the Commission was worth consideration. He considered that, as a rule, the education given to the native had not been on the right lines. He had always held that among the native population of South Africa they had a large number of people who had great adaptability for the carrying out of crafts such as weaving, basket making, chair making, etc. Unfortunately, their educational system trained some of the cleverest natives to a high educational pitch and having done that said, "Thus far shalt thou go, and no further."

Colonel-Cdt. W. R. Collins (South African Party, *Ermelo, Trans.*) said there was a tremendous lot of red-tape to get ground transferred from a native to a white now, and *vice versa*, and the natives were asking when the law was going to be altered. In the North, Europeans felt they should not allow natives to buy land among themselves, and they could not agree to the creation of a position where white men might find themselves working for natives, although that was taking place to-day in the Transvaal. If natives were to have property it would have to be apart from the white men. Let the natives be put into their own areas, let them govern those areas and be given every assistance in doing so. There was a fear among his English friends that the Dutch wanted to repress the native, but he said without hesitation it was the Voortrekkers who were the natives' best friends. South Africa was the only country where the aboriginal had thrived and become strong with the white man.

Mr. J. G. King (Unionist, *Griqualand, Cape*) said that in the Transkei the native councils had been a great success. He considered it would be a step in the right direction to extend the council system to other areas in which natives were congregated. He welcomed the proposed Native Affairs Commission and contended that it should consist of Europeans who were thoroughly conversant with native questions and native needs and desires.

Mr. J. L. Schurink (South African Party, *Lydenburg, Trans.*) said in his district there was a great deal of uncertainty whether certain lands would be proclaimed native or not. People were consequently nervous about developing the country, and there was not the progress there would otherwise be. The 1913 Act was contravened right and left with regard to natives trekking. The present pass system was not working as it should, and there ought to be stricter supervision.

Mr. C. A. Van Niekerk (Nationalist, *Boshof, O.F.S.*) said that though the natives took over the vices of the European,

they were not civilised enough to assimilate their virtues. The natives need not be slaves, but they must not be allowed to think they were the equal of the white man. In the S.W.A. Protectorate an impossible position had been created because the natives had been told they were.

Mr. G. H. Nicholls (*South African Party, Zululand, Cape*) said a sense of economic solidarity was growing up among the natives, and regard must be had to this fact when studying the native question.

Mr. A. S. Van Hees (*Nationalist, Christiana, Trans.*) said members seemed to think the question ought to be looked at from the native viewpoint. It was not a native problem; it was a white problem—of the free existence of the white people in South Africa.

Mr. M. Kentridge (*Labour, Fordsburg, Trans.*) considered the view to be taken was that the natives were human beings, with certain inherent rights, and that they should be raised so that their own original genius should be developed to its fullest extent.

Mr. R. Feetham (*Unionist, Parktown, Trans.*) said he did not believe a system of water-tight compartments as between European and natives was possible for South Africa—nor did he think tribal ownership any improvement. He thought it a mistake to disparage the work that had been done in South Africa, because they with their small European population were faced with a situation no other people in the world had had to face, and what they did inside the Union was not going to be confined within its limits; the whole population of the Southern half of Africa would be affected by their good or bad deeds.

Mr. J. H. Munnik (*Nationalist, Brakpan, Trans.*) said the native in the North was in a very primitive state not far removed from barbarism, and they could not legislate for him as they did for a civilised European. The North was against any tampering with the solid barrier which existed between black and white.

Mr. F. W. Beyers (*Nationalist, Edenburg, O.F.S.*) regarded the Bill as a measure not containing any very great principle. Naturally, the natives being part of South Africa's population, Parliament had great responsibilities towards them, but he did not agree with members who, because certain natives had learned a certain amount, regarded them as civilised. They were not civilised—civilisation was a matter of generations, not to be acquired by a little learning.

With reference to the pass-laws, he held their object was to protect the natives as well as the whites. Regarding General Smuts' remarks that the native should be allowed to develop a certain amount of self-government on lines

parallel to the government of the European population, he considered it would give the native the impression that he might have his own parliament eventually, and he issued a warning against creating a false impression.

Mr. H. W. Sampson (*Labour, Siemert, Jeppes, Trans.*) stated they could not go on as they were in South Africa with three standards of living—native, coloured, and white—and if the three came into competition in the labour market the white would not survive. He had no objection to the natives being given education and taught trades when they lived in their own areas and did not compete with the white man to lower the latter's standard of living. Speaking of his thirty years' experience among natives in the printing trade, he said he had never heard any desire on the part of the educated native to mix up with the whites.

Mr. J. C. G. Kemp (*Nationalist, Wolmaransstad, Trans.*) said it would be a bad day for the Transvaal if the suggestion that the Pass-law should be abolished was given effect to. The Pass-law to-day was the only protection the farmers had. The reason the native had lost respect for the white man was because there were too many masters. The white man should be "boss" and he strongly deprecated the natives' right to send deputations to Europe. The sooner they severed this bond with England the better it would be, so that they would be able to administer their own domestic affairs.

Dr. D. F. Malan (*Nationalist, Calvinia, Cape*) declared the civilisation of South Africa would be judged by the way in which they, as guardians of the natives, carried out their duties towards them. The white race had lived in one world, different from that of the native, and that being so he felt there was everything to be said in favour of the native having his own institutions with which he could personally identify himself.

There were three courses that might be followed in dealing with the natives. The first was that of oppression. The second course would be that of fusion, that the native should be given full political rights and representation. Fusion had been followed in America with disastrous results. The only course, therefore, left in South Africa was segregation to enable the white man and the native alike to live their own lives. For that reason he would accept the Bill provided it went hand in hand with the segregation principle. He asked the Prime Minister to give an assurance on the matter pending which he would move that the order for the Second Reading be discharged and the subject matter of the Bill be referred to a Select Committee, this Committee to have power to bring in an amended Bill on the lines of the Native Affairs Administration Bill of 1917.

The Prime Minister, replying, said that though the debate had lasted long, the question at issue merited careful consideration, and the points raised would be seriously looked into. He had been pleased that on the whole the Bill had been favourably received. They had not consulted the natives on the Bill because it had not been possible. The various provincial authorities had had to be consulted, all of which had taken time, so that none was left to consult the native or white public. The principle of a Native Commission had never been criticised by the natives; the Government was, therefore, justified in taking it that there would be no objection to the principle now. He agreed with the views of members who had expressed the hope that native evidence would be called before the Select Committee to be appointed, and fully agreed with Dr. Malan that it was necessary to place the relations of whites and natives on a basis of confidence and trust. The attitude of the natives in the difficult times through which the country had passed had been to show that they were a good and peaceful population who deserved to be consulted and trusted. Their cause was a good one and they need have no fear if they took the native into their confidence. By treating the natives in a spirit of trust and confidence he hoped they would build up a lasting bond of confidence between black and white.

“ Segregation ” Policy.

It had been asked, “ What had become of the segregation policy ? ” He thought that he had made that position perfectly clear. Segregation was not a matter of policy. It was the law of the country. The law of 1913 had passed through the House practically without any dissent. Mr. Sauer, who had been an acknowledged friend of the native, had introduced the Bill, and it had been applauded by all sides of the House. That Act constituted a preliminary step until a Commission had been appointed to report on the question of the demarcation of the native areas. Subsequently the Beaumont Commission was appointed, and after the Bill of 1917 another Commission was appointed to inquire into the demarcation of the Beaumont Commission. The law of 1913 was not a dead letter. It was in daily use and natives under it were allowed to buy ground in the area provisionally allocated by the Beaumont Commission, with the Government’s permission. No uniform action had been taken on the reports of the four Commissions of 1917, and it was clear that an injustice would be done if these reports were given effect to without further inquiry. He had now introduced a Bill aiming at achieving something definite—namely, the Native

Commission proposed in the Bill. It would inform the Government on matters of native policy. Greater finality would be achieved by a Commission of that kind. The Bill was not against segregation, and the Bill would to a certain extent help to carry that out.

Limit of Native Self-Government.

Regarding the local native councils he explained that it was proposed to apply such bodies only to acknowledged native areas. All that was aimed at in regard to the councils was to extend all over South Africa a system which had worked well in the Cape.

It had been asked how far this principle of self-government for the native would go. It was difficult to say what the future would bring. The white Parliament would always remain the sovereign power in the country, but subject to the sovereign power, he did not see why a certain amount of self-government should not be allowed to the natives so that in their own territories they would be able to attend to their own domestic affairs. He saw no danger in that. Nor did he see danger in the native conferences. It had been urged these conferences might become the centre of anti-white movements. He did not appreciate that danger, but considered the conferences would serve a most useful purpose in helping to bring about a better condition of affairs in enabling the natives to bring forward their grievances and general views. In those circumstances he hoped the motion for the Second Reading would be agreed to.

Dr. Malan's amendment was negatived, and the motion for the Second Reading carried without a division.

The Bill was read a second time and referred to the Select Committee on Native Affairs, with power to take evidence.

PROFITEERING BILL.

In the House of Assembly on 26th March, 1920, the Minister of Justice introduced a Bill to prevent the making of unreasonable profits on the sales of commodities, and to deal with the operation of trusts, combines, agreements and arrangements, in so far as they tended to the creation of monopolies or to the restraint of trade.

The Bill was read a first time.

The provisions of the Bill are outlined in the following speech of the Minister of Justice, and in view of probable amendments, the summary of the Act in its final form is held over to the next issue of the JOURNAL.

DEBATE IN HOUSE OF ASSEMBLY.

The Minister of Justice (Hon. N. J. De Wet), in moving the Second Reading of the Bill on 19th April, 1920, said it was a fact that the country thought profiteering had taken place. The Bill was simple in its provisions and based on the British Profiteering Act with an important difference in the definition of what was unreasonable profit. The Bill was intended to apply to certain proclaimed articles in common use, and would not apply to articles for export, those sold by public auction, etc.

Board of Control.

The Bill provided for a Board of Control which would have to organise the whole working of the Bill. Everything rested on the personnel of the Board, and he considered it would be a good thing if they could lay down what that personnel should be. The Board had powers to investigate price complaints, to declare what was a reasonable price, and institute criminal proceedings against profiteers.

Unreasonable Profit.

The real question in the Bill was what was a reasonable price, for he considered it was in that respect the English Act had been a failure. The Commission suggested as a definition that profit resulting in a greater return to the seller after making due allowance for interest and any increased capital expenditure, or any increase in the reasonable cost of the management of the business, than the Board considered fair, was unreasonable profit. The Bill proposed to leave the matter largely to the discretion of the Board and laid down four guiding principles—namely, the average profit earned by the seller upon the sale of a proclaimed article during 1911-12-13, the interest on increased capital expenditure since 1915, increase in the reasonable cost of carrying on a business since the commencement of 1915 and any increase in ordinary domestic expenditure of the seller due to the increased cost of living, only to apply in the case of a small business carried on by a man and his wife or daughter, where no wages were paid in the ordinary sense. In such a case it would be a hardship if the increased cost of living were not taken into account.

Criminal prosecution might be taken by the Board if it appeared to the Board that an unreasonable profit had been made.

Local Committees: Trusts and Combines.

Local Committees might be established either by the Government or by delegation to local authorities, and any or all of the functions of the Central Board might be assigned to these Committees. It was not intended that local Committees should deal with matters of national interest. In the case of a big manufacturer with branches perhaps in various parts of the Union the Central Board would have to deal with such manufacturer. The Bill provided that the proceedings of the Board or any Committee should, when such proceedings were founded on complaint, be in public. If the Board had investigated a certain matter and come to a definite conclusion, there was nothing to prevent it from publishing its conclusion and the evidence upon which it was formed. Clause 9 dealt with the question of investigation as to trusts, combines, etc. It enabled the Central Board to use its machinery in order to obtain information with a view to further action, if necessary. To this clause the Cost of Living Commission attached very great importance.

The debate was resumed on 21st April, when

Mr. T. Boydell (*Labour, Durban, Greyville, Natal*) said that in his opinion the Bill would not deal with profiteering, but solely with the punishment of those unlucky enough to be found out in making unreasonable profits. Experience in other countries where punishment was relied on to prevent profiteering showed the machinery was inadequate for the purpose. The members of the Labour Party, while they were willing to help the Government to do the right thing, felt that it was just as essential that they should take steps to protect the consumer against the Government. Of the activities that would be set up under the Bill, 95 per cent. would be devoted to investigation. For five years they had been investigating and they had got practically all the facts necessary for this question. What they wanted now was some machinery by which they could have 95 per cent. of effective action and only 5 per cent. of further investigation. He therefore proposed the following amendment:—

“That the order for the Second Reading be discharged and the subject matter of the Bill be referred to a Select Committee with instruction from the House to bring up a Bill making provision not only for the punishment of persons making what is defined as unreasonable profit but also for the prevention of profiteering out of the needs of the people by (1) the extension of State and Municipal enterprise for the production and distribution of the necessities of life, and (2) the establishment of a Board of Control as provided under the Bill with power to fix prices of necessary commodities, to restrict profits, to regulate exports, to control supplies and expropriate stocks in the interest of the consumer, and also the setting up of local Committees subsidiary thereto.”

What the amendment meant was that the power which the Government then had under the Public Welfare and Moratorium Act should be extended to the Board of Control. He claimed that the fixing of prices was the most effective method of preventing profiteering, and unless the Board had power to do what had been found necessary in England the Bill would prove absolutely futile so far as affording relief to the consumer went. Profiteering had been rampant in South Africa. During the War and since vast fortunes had been made out of the necessities of life. The last report of the Cost of Living Commission showed the most scandalous state of affairs. He reminded the House how effective the Government sugar control had proved, saving the consumer 3d. a lb. for three years—a total of £12,000,000. The production of sugar was not discouraged. The Bill had an important omission, because the English Act provided that the Board of Control could authorise Municipalities to buy and sell any commodity in the interests of the consumer. As regards the composition of the Boards, he contended that half the members should be selected or nominated by the Labour organisations throughout the country.

As to the definition of reasonable profit, he considered the basis should be the average pre-war profit for rendering the same service, with the addition of any increased expenditure incurred in doing the business.

Mr. T. E. Drew (*Labour, Denver, Trans.*) seconded the amendment, saying that he looked upon the Bill as a very mild attempt to reduce the cost of living.

Mr. J. W. Moor (*South African Party, Weenen, Natal*) considered it would have been better if the Labour Members had directed their criticism to a constructive policy instead of a destructive one. The Government made a genuine offer and Labour Members should try to make the Bill a working measure. He asked if the £4,000,000 wrung from the sugar industry mentioned by Mr. Boydell had not been through the sweating of those young men who were opening up a fever-stricken district, working from sunrise to sunset.

Dr. D. F. Malan (*Nationalist, Calvinia, Cape*) urged that it had always been regarded as necessary that the law of supply and demand should not be interfered with. Yet the Bill before the House now proposed to interfere with the economic position of the world.

The Bill, he said, did not go to the root of the matter. It dealt with symptoms and consequences, but the causes were left alone. He did not wish to take the profiteer and rack-renter under his protection; they were themselves the result of the extraordinary position which existed. It was not the cost of living which had increased so much but the means

of payment which had depreciated. Too much odium was placed on the profiteer, who was a result not the cause of the present position. It seemed to him the measure created a new crime. Dealing with the difficulty of defining undue profits, he said it appeared to him people were to be punished for an offence which was not defined in the Bill. The real cause of the evil lay in the existence of trusts, monopolies and rings. The Board had the right to inquire into such trusts, etc., but could do nothing more. The evil of speculation, a great cause of the present position, was not dealt with at all. He moved an amendment "that the Bill be referred to a Select Committee," and deleting the instructions contained in Mr. Boydell's proposal.

Mr. E. G. A. Saunders (*South African Party, Natal, Coast*) pointed out that a Central Board of Control would be unfitted to deal with the interests of the merchant, and retailer, and manufacturer, and he considered the manufacturer should be left out of the Bill. The sugar industry was not a monopoly. The only reason that it had come forward collectively was that it was an association. He pointed out that sugar was controlled at the request of the industry, not at the instigation of the Government. The control had been a constant source of general irritation—for example, the blunder of fixing one price for all grades of sugar, so that the public had to pay the same price for coarse brown sugar as they did for the highest grade. If the Bill were passed in its present form it would lead to chaos throughout the country. On the Board there should be equal representation for the producer.

Mr. G. B. van Zijl (*Unionist, Cape Town Harbour*) said that some of the causes set down in the interim report were not dealt with in the Bill. He referred to the question of credit, banking facilities given to speculators, the licensing of dealers in foodstuffs, and the making of differences illegal and irrecoverable in law, and in those directions he considered something should be done, as also in withdrawing the export duty on meat from South Africa. He urged action should be taken in developing the fishery industries, and pointed out several other ways in which the cost of living might be reduced. He thought some blame attached to the Government for not regulating exports a little earlier, and he especially mentioned maize. Another cause of the high cost of living was the attitude adopted by the Trade Unions.

Mr. G. H. Nicholls (*South African Party, Zululand, Cape*) declared that Mr. Boydell was fond of referring to Australia, but if he wished to institute such a state of affairs in South Africa as prevailed in Queensland they would have a very disastrous state of affairs altogether. Queensland was a by-word throughout the whole of Australia. The restriction of

the price of sugar had not been advantageous, as a matter of fact it had had an appalling effect on the Natal sugar industry. The sugar planters of Natal and Zululand were patriotic enough when the war broke out to restrict the price of sugar, but it was only when speculation became rife and when sugar which sold at £20 per ton in Durban fetched £40 per ton in Johannesburg that the planters asked the Government to intervene. Unfortunately they adopted a most mistaken policy for the restriction of price; although it had benefited the South African public, it was ruining the industry. Although the cost of sugar had increased, the sugar planters were asked to sell sugar at practically pre-war prices. He concluded by saying that the worst profiteering was that carried on by the people represented by the Labour Party.

Cost of Living.

The Right Hon. J. X. Merriman (South African Party, *Stellenbosch, Cape*) said the Bill only dealt with a minute fraction of the cost of living and in a very imperfect way. One cause was extravagance. They had only to go into Adderley Street and look at the shop windows. Another cause was scarcity, and still another speculation. No Bill would do any good to the cost of living unless it contained some provision to deal with things of that sort.

It was by good administration, by low taxation, by putting down the real evils of profiteering, that they were going to bring about a better state of affairs. He wanted to see this Bill strengthened very materially. They ought to tackle trusts, futures speculation, and means of speculation. Trade Unionism, tyranny, and fining people for employing people at wages they were prepared to work for was the surest way of dragging the country down to ruin.

Let them try, as far as they could, to strike at the great evils which undoubtedly in South Africa, as in every other country, were rendering the cost of living high, almost unendurable, and bringing the country into a state of poverty.

State Management.

Mr. J. W. Jagger (Unionist, *Cape Town, Central, Cape*) declared that Mr. Boydell's amendment had simply been put up for outside show. State management of industries had been shown to be extravagant. The main industries the State had embarked on in South Africa were monopolies pure and simple. There was, however, one business conducted by the State which might be said to be competitive, namely, the experimental farm at Groot Constantia. For

over 20 years that farm had been carried on by the Government, and he did not know one year in which it had paid. For the year ending 31st March, 1919, according to the Auditor-General's report, there was a loss on working of £1,063. Mr. Jagger here entered into an analysis of public enterprises conducted by the States of Australia with a view to showing that those industries had not been the success claimed on their behalf by the Labour Party.

Definition of Profiteering.

He recognised the necessity for the Bill, but Clause II., which defined profiteering, was most indefinite. The only sound basis in judging what was profiteering was the value of the article. Suppose a trader in 1913 sold a pair of boots which cost him 20s. for 25s., the same boot to-day might cost 40s., and the trader would sell it for 50s., but that, according to Mr. de Wet's reading of the clause, would be profiteering, as the trader would be rendering only the same service that he did before the war. The Minister's definition of profiteering was on the assumption that a trader would sell the same number of boots as in 1913. But that was not so, for with higher prices there was a falling off in the demand; as prices rose people either bought a cheaper article or did without it. Although a trader's turnover might have increased since 1914 his profits would not be in the same proportion as they were before the war, as wages, rates, rents, and interest on capital were all higher. There was not a business in South Africa which would pay if the profit per article were limited to that which obtained in 1913. He advocated the adoption of the English system, namely, "a rate of profit which does not exceed a fair average rate of profit."

Business interests should be represented on the local Boards, as was done in England and America. The business people of South Africa had suffered too long from the interference of men who knew nothing about business. He wanted to see the cost of living reduced as much as anyone in the House, but he claimed that fair play should be given to the trader who was content to make an ordinary profit.

Mr. W. B. Madeley (*Labour, Benoni, Trans.*) said the remedy for the present state of affairs was that people should take over the ownership and control of their own activities, and the supplying their own wants. He criticised the suggestion that business men should be placed on the Boards, and said that he objected—as the man who was robbed—to it in consultation with the man who was robbing him in order to see how much he was being robbed of. The effect of

increased production in the United States had been to throw a million people out of employment.

The debate having been adjourned, Mr. Madeley continued on the resumption, and maintained that the House was not, and should not be, constituted with the sole object of entrenching the position of the profit-makers of the country. Regarding the State industries of Australia, he claimed that this question should not be examined from the point of view of pounds, shillings, and pence, but from the point of view of what benefit had accrued to the whole of the community concerned. The amendment now submitted by the Labour Party openly challenged the whole of the capitalistic position. The capitalistic position had been proved a failure, and it was time the people were given a chance of showing what they could do.

The Prime Minister (Lieut.-Gen. the Right Hon. J. C. Smuts) said that having listened very carefully to Mr. Madeley's oratorical effort, he was in very serious doubt if the hon. Member had read the Bill at all. The Bill had been discussed at great length, and as they were all under a clear and distinct impression that the most important issue that had been raised at the last general election was this matter of profiteering, he hoped it would be possible for them to come to an early conclusion to the debate.

Urgency of Bill.

There was the strongest feeling in the country, and the Government was pledged up to the hilt to deal with the matter, and to deal with it at an early date. The Bill was not only important but urgent, and the Government could not accept any proposals which would tend towards its postponement. Although it was by no measure a perfect Bill, there was no doubt it would give a reasonable measure of relief in regard to this grave grievance of profiteering which was weighing on the country, and if placed on the Statute Book he was sure it would be an excellent foundation on which to build. The Bill had met with uncompromising opposition from no quarter of the House. The Labour Party had moved an amendment which refused a Second Reading to the Bill. The hon. Member who proposed that amendment frankly admitted that the object of his party was to remould the system of society. Members of the House were asked not to fulfil their pledges, but to discuss various forms of socialism and to subordinate the pledges to which they were bound to this large discussion. Every member knew the country as a whole was dead against these extreme measures, and that to seek a solution of the ends of profiteering by that road would probably postpone it to the Greek Kalends. Let them not

try to found a new state of society, but let them deal with the patent evils which were at their door in the shortest time possible.

The Nationalists had also moved what practically amounted to the rejection of the Bill. He had listened with great care to Dr. Malan's able and well-reasoned speech, and the only clear impression he had gained from it was that his party was not serious about the matter at all. Dr. Malan had argued that it was a case of supply and demand, and that the real cause of the high cost of living was the depreciated currency of South Africa and other countries all over the world. The Government admitted that this was one of the contributory causes, which they were not neglecting. The very first matter the House had dealt with was this subject of currency, and a Select Committee was even then inquiring into that most complicated subject. But there remained profiteering as a real and most substantial cause of the cost of living. It had been said they were creating a new crime. Well, the Legislature of South Africa had never hesitated to constitute new crimes in the public interest. If he had to choose between the man who illicitly bought diamonds or gold, and the man who deliberately profited on the food of the people, he preferred the former.

Labour-Nationalist Alliance: Government Position.

They saw now an unholy alliance; a combination against this Bill which came from opposite ends of the pole. The one party wanted to go much further, and see a socialistic state inaugurated before they dealt with profiteering. The other party really did not want to do anything at all, but to connive at the present state of affairs. He would like to make the Government's position clear. He thought each one of these Bills dealing with the very difficult subject of the high cost of living should go to a Select Committee, but unless the House gave a clear lead that they wanted the Bill to be drafted broadly on certain lines, he did not think they would even see the Committee come to a conclusion of their labours, and they would not pass any profiteering act during that Session.

The Government must either carry out its pledges or make way for another Government. Under the circumstances the Government were prepared to look upon the Second Reading of the Bill as a test case. If this Bill which had been called for by the country were not passed through the Second Reading, the Government would feel that it was impotent to take any effective steps towards remedying the existing state of affairs, and on that

ground he asked the House with all seriousness to pass the Second Reading. Let the Bill then go to a Select Committee, and let that Committee improve the Bill to the best of its ability.

No Application to Foodstuffs.

He was surprised to hear Dr. Malan and others contend that this Bill applied to foodstuffs—the agricultural part of the country—as it applied to other articles of merchandise. He did not believe there was anything in the Bill to justify that impression. The Minister of Justice had made it clear that it was not the intention to deal with foodstuffs in this Bill. That matter would have to be dealt with by another measure which would be brought forward by the Government. The subject of essential foodstuffs was quite different from that of ordinary merchandise and that had been the experience of all countries. Mr. Hoover had pointed out that the greatest harm had been done in Central Europe by the Government fixing low prices for foodstuffs. One of the reasons for the short supply of oats in South Africa was that people found that they obtained a higher price for oat-hay than for oats. The same thing had happened in Russia, where the death-rate from starvation was probably very much higher than in any other part of the world. By applying drastic measures to the production of foodstuffs, they simply cut off the sources of supply.

Trusts and Combines.

Another point had been made with regard to rings, trusts and combines. It had been suggested that Clause 9 of the Bill which gave powers of investigation would not lead to anything. This clause was taken verbatim from the English Act, enabling the most searching inquiry to be made into rings and trusts—which were one of the principal causes of high prices. This clause would have the same effect in South Africa. It would be the responsibility of the Government to take action in regard to trusts and combines, this was the system followed in America, England, and most of the British Dominions.

“Unreasonable Profit.”

The success of the Bill now before the House would largely depend on the definition of profiteering being a correct and workable one. That raised the general question of what was profiteering. Profiteering was not done on a large scale by retail traders such as bakers, grocers and butchers, but resulted

in the application of the pre-war rate of profit at present prices.

The second cause of profiteering was the extension of the replacement value of every article, and the third cause was the speculation in produce by dealers, millers, brokers and speculators. It was not the farmers or retail dealer who did the profiteering. He did not agree with Mr. Jagger as to the rate of profit, for the existing practice of charging the same rate of profit as before the war was the most fruitful source of high prices and profiteering. Huge fortunes were being made and Parliament ought to deal with the resulting evils. Clause II. laid it down that unreasonable profit was: "In relation to the sale of any proclaimed article a profit which the Board or Local Committee declares to be under all the circumstances of the particular case an unreasonable profit." But no standard was laid down as hard and fast rules would lead to horrible injustice in particular cases. They must appoint an impartial Commission and give it wide discretion as to what unreasonable profit was. The Government would act on the instructions issued by the United States Government for the guidance of its Board.

Nationalist Attitude.

General the Hon. J. B. M. Hertzog (Leader of the Nationalist Party) congratulated the Prime Minister on his decision that the Government would stand or fall by the Bill. The Nationalists, however, would not run away from the attitude they had adopted. The Government agreeing to send the measure to a Select Committee showed that the Bill required improvements. The Nationalists regarded the Bill as out and out bad and for that reason wanted it to go to a Select Committee before the Second Reading. At the same time by their amendments the Nationalists proved they realised legislation was essential. Both Bills foreshadowed in the Governor-General's speech were most unsatisfactory and even the Minister of Justice by his remarks that he was not in love with the Bills and did not mind how much they were altered, proved his dislike for the legislation proposed.

The Minister of Justice: "I said nothing of the kind."

General Hertzog, continuing, deprecated the attitude of the Prime Minister, which, he said, aimed at creating prejudice against the Nationalist and Labour Parties, giving the impression that all these parties wished to do was to make matters difficult for the Government. However, he was prepared to go to the country on the speech of the Prime Minister. He objected to the Bill primarily as it was only an imitation of what England had done. England, however, was different,

because legislation had been passed during or immediately after the War under abnormal circumstances. There was no reason why South Africa, which had had an opportunity to quietly consider the matter, should emulate what England had done under stress of circumstances. His objection was, the Bill made a crime but did not define it. He would never agree to a Bill which left it to a tribunal to define a crime as it thought fit. Did the Prime Minister know of any other instance where a crime was made and defined by the Court trying the accused? It was clear the Government had not stuck to any clear principle in outlining the Bill. All the Bill would do was to touch profits without touching unreasonable profits.

Let the Prime Minister agree to the Bill being sent at once to a Select Committee and agree to the amendment, and the Nationalists would not accuse him of running away.

Col. F. H. P. Creswell (Leader of the Labour Party) said the "stubborn fact" in this matter was that the great majority of members in that House were much more concerned with the wealthy portion of the community and their vested interests than in taking effective measures to reduce the cost of living. Time was, not long ago, when the Prime Minister was one of the great defenders of the theory that you must not lay your sacrilegious touch on the sacred ark of the covenant "supply and demand." They welcomed the fact that the Prime Minister and other members of the House were beginning to see their idol had feet of clay.

With regard to the urgency of the profiteering question on which the Minister had laid so much stress, for four or five years the Government had had enormous powers of dealing with that matter. The present Bill was not going to do what the country wanted. The fact was Parliament in South Africa was referred to outside, and rightly, with some degree of contempt, as the "talking shop," because the people found Parliament was continually preventing the remedies and changes introduced from doing any considerable damage to the interests represented in Parliament. The disrepute in which Parliament was held was one of the greatest dangers facing the country. He referred to the Municipal Trading Clause in the English Act, which had been left out of the present Act. Unless they put up a sturdy protest the Bill would emerge from the House dooming the people to disappointment.

The Prime Minister knew that the position the Labour Party took up was to give the cost of living legislation a prospect of being effective. They must make a start by doing things collectively to a greater extent than hitherto. There was nothing in the Bill to deal with the cancellation of

the licence of a trader who went in for speculation. They were there to help the Prime Minister by making the Bill ampler and broader. The Prime Minister challenged the Opposition. The Opposition was clear. They were going to press for the amendment, and divide the House to find out how many members were in earnest. If both amendments were defeated and they were left with a blank to fill up, they did not mean the Bill to drop, and it was in order to move that the Bill be read a second time at the next sitting of the House.

The Hon. Sir Thomas Smartt (Leader of the Unionist Party) thought they all recognised that the Bill and principles laid down in it justified the House reading the Bill a second time and accepting the promise of the Prime Minister that he would agree to its reference to a Select Committee for inquiry and Report. He did not believe that, next to winning the war, anything had so excited the people of South Africa and other countries as the extraordinary economic conditions which had arisen owing to the war. The country looked to the House to deal with the question promptly, and it could not be dealt with promptly unless they accepted the Second Reading of the Bill and sent it to a Select Committee with instructions after making inquiry to return it to the House as soon as possible. He believed this to be an honest attempt on the part of the Government to deal with a very serious question.

Notwithstanding the inconclusive character of the elections, was there anything like a majority of people who were in favour of the socialisation and nationalisation of their industries and production? Sir Thomas quoted from an official report showing that the building of a State dockyard in New South Wales meant the expenditure of a large amount of capital in an unprofitable manner.

High Prices: Duties of State.

There was no doubt that the high prices they all deplored were due to other causes as well as profiteering; there was de-valuation of money, diminished production, and extravagance, all of which contributed to the high cost of living. Although he objected strongly to unnecessary interference, there might be a time when it was the duty of the State to interfere with a view to fixing prices. He thought it would have been a good thing had the Government requisitioned the whole of the wheat supply of the Union and imported other wheat to make up the shortfall. Government should have the power to fix the price of wheat, and it should never have permitted the speculation, cornering and expropriation which had taken place. As a farmer he believed the best class of farmer would be with the Government in saying it would not

allow any combination, whether of farmers or anybody else, to withhold food supplies. They must be extremely careful in fixing prices. He referred to the exportation of maize and oats, and said that high prices operated very often just as strongly against the farmers as other members of the community. How could dairymen be expected to produce butter, cheese and milk when the maize supply of the country was cornered? He thought legislation might do something towards reducing the cost of living, and he urged members to vote for the Second Reading and show the people they were honest and sincere. If Col. Creswell defeated the Bill he would be responsible to the country, and would have to explain his action.

Attitude of Natives.

Mr. W. H. Stuart (*Unionist, Tembuland, Cape*) said the House had not considered the attitude towards this subject of the six million natives of South Africa, who also suffered from the high cost of living. He read a telegram stating that the Native Council of the Transkei had passed resolutions asking the Government to regulate the prices of household utensils, blankets and maize, and that steps be taken to prevent the cornering of foodstuffs. Mr. Stuart pointed out that since 1914 native wages, broadly speaking, had not advanced.

After further debate, General Hertzog called for a division, with the result that the Second Reading was carried by 62 votes to 42. The Ministerialists and Unionists voted in the majority and the Nationalists in the minority.

The Minister of Justice moved that the Bill be referred to a Select Committee for consideration and report, and this motion was agreed to.

CONSTITUTION OF THE SENATE.

A Bill to remove doubts as to the date of the expiry of the period for the present constitution of the Senate was formally introduced in the House of Assembly by the Prime Minister, on 3rd May, 1920.

The Act as passed by both Houses read as follows :—

(1) The period of ten years provided for the Constitution of the Senate by Section 24 of the South Africa Act, 1909, and referred to at the commencement of Section 25 of that Act is hereby declared to expire on the 31st October, 1920.

(2) The term of office of any Senator who would but for the passing of this Act have vacated his seat owing to effluxion of time before 31st October, 1920, is hereby extended to that date.

DEBATE IN HOUSE OF ASSEMBLY.

In the House of Assembly on 5th May, 1920,

The Minister of Mines, Industries and Education (Hon. F. S. Malan), in the absence of the Prime Minister, moved the Second Reading. He pointed out that the ten years' period terminated on the date when Parliament met, because no Senator could have taken his seat before that date. The Senate could not possibly have been constituted on 31st May, 1910, because eight nominated Senators had not then been nominated. The Government therefore took it that the period of the Senate's tenure terminated ten years after the date when the Senate met, namely, 31st October. With regard to Section 152 of the South Africa Act, the Government took up the position that this Bill did not alter or repeal any provisions of that Act, but that it merely interpreted the period.

Mr. R. Feetham (Unionist, Parktown, Trans.) said that if an amendment were made in the Act of Union it was difficult to see how the House could escape the procedure laid down in Section 152 of the South Africa Act.*

The Minister of Justice (Hon. N. J. De Wet): Under the Bill as drafted they could not prolong the life of the Senate beyond the 31st October. The doubt was contained in Section 24 as to the period for which Senators should hold their seats—whether the date should expire on 31st May or 31st October.

Mr. Speaker said he had not the least doubt that the Senate expired on 31st May, but there could be no reason why its life could not be prolonged for a further period.

Mr. T. Boydell (Labour, Durban, Greyville, Natal) asked Mr. Speaker whether, in Committee, amendments could be moved with the object of discussing the whole question of reconstituting the Senate on a more democratic basis than it was to-day.

Mr. Speaker ruled that a discussion of the Constitution of the Senate would be beyond the scope of the Bill.

The Bill was read a second time.

The Committee Stages.

The House of Assembly on the 14th May, 1920, went into Committee on the Bill.

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts), in the course of a statement on Clause I., said that

* This section gave power to Parliament to repeal any provisions of the Act subject to certain procedure.

the legal position with regard to the Bill was very important, and somewhat complicated, and he knew that lawyers had considered the matter very fully, and thought of no end of conundrums.

Bearing of South Africa Act on Bill.

In the first place the question arose what was the bearing of Section 152, the amendment section, of the South Africa Act on the Bill? The question was whether in the Bill they were proposing to alter any of the provisions of the South Africa Act for which a time-limit had been laid down, because, if so, they were debarred by that section. It seemed clear to him, and he thought the experts were agreed in the matter, that they were providing no such provision in this case. Either the Senate expired on 31st May or 31st October; if the former, the proposal now before them did not alter the ten years' period of the Senate, because it related to nothing before 31st May; if the latter, they were making no change at all. The utmost they proposed to do was to extend the life of the Senate for five months, and there was nothing in the South Africa Act which prevented that. With regard to the discussion about a joint sitting, that would only have arisen had they during some period within the ten years purported to introduce an alteration in respect to the Senate.

Urgency of Bill.

Secondly, it was essential for them to deal with the matter before 31st May. Legal opinions varied about the true construction of Section 24, and as there was a doubt it should be removed before that date. He was afraid that, unless they got the Bill through by 31st May, the only proper course would be for the House to pass a vote on account for some five or six months, and wait until the new Senate had been properly constituted under Section 25 of the South Africa Act. That would be a most inconvenient course. Members would have gone back to their homes and the country would be without a Parliament. They would simply have a House of Assembly, without any certainty that there was a Senate. If any crisis were to arise it would be impossible for the Government to call Parliament together again. Under the circumstances the Government earnestly begged the House to remove the doubt there was in regard to the constitutional position of the Senate, and pass the Bill before the 31st May. For this reason the Government had deemed it advisable to make the Bill as simple as possible and confine it merely to the removal of the doubt that existed.

Future of Senate.

There was an amendment on the Paper which would, no doubt, give the House and the country a longer time to make up its mind as to the future of the Senate. It was certainly regrettable the matter had not been dealt with in past years, but the situation that arose from the War had occupied the attention of the country and the question of the Senate had not shelved.

Thirdly, supposing the Bill were passed and the present Senate continued until the 31st October, and expired thereafter, what then was the position? The South Africa Act provided that in such a case Section 25 came into operation, and a new electorate came into existence for the Senate. He found there was a general impression that that would then be the Senate for the next ten years. That was a mistake. There was no doubt, upon the proper construction of Section 25, that nothing debarred Parliament from, at any time within the next ten years, altering the Senate in any respect. The governing clause in Section 25 said that "Parliament may provide for the manner in which the Senate shall be constituted after the expiration of ten years, and unless and until such provision shall have been made," etc. It was therefore competent for Parliament at any time within the next ten years to deal with the Senate.

With regard to the future Constitution of the Senate, he foresaw that if they were not careful, they would waste the whole Session wrangling over the matter. They would have the opportunity at any time under Section 25 of discussing the new Constitution of the Senate and passing any legislation in respect of it.

The Prime Minister then moved to omit Clause I. from the Bill, which he considered unsatisfactory, and substitute the following Clause:—

"The period of ten years provided for the Constitution of the Senate by Section 24 of the South Africa Act is hereby declared to expire on the 31st October, 1920."

Mr. R. Feetham (Unionist, *Parktown, Trans.*) moved an amendment to extend the life of the present Senate for another year, namely, 31st October, 1921, on the grounds that if they had an entirely new Senate it would most likely be a reflection of the popular mood of the moment like the Assembly, which was not desirable. The Second Chamber was supposed to reflect the second thoughts of the Nation. Another year should be allowed for consideration of the Constitution of the Senate in which, he declared, there was room for much improvement.

Mr. C. J. Langenhoven (Nationalist, *Oudtshoorn, Cape*) concluded that the House was a body subordinate to the

Imperial Parliament, and that it could not pass legislation with regard to its own Constitution as a Parliament.

Mr. F. J. W. Van der Riet (*Unionist, Albany, Cape*) submitted an amendment which, he claimed, would clearly meet the situation. The effect of this would be to exercise the powers contained in Clause 25 of the South Africa Act, and by a subsequent clause to revive those powers.

The Minister of Justice (Hon. N. J. De Wet) replied that if the proposal of the Prime Minister was agreed to all the provisions of Clause 25 were necessarily carried out. There was nothing to prevent Parliament from amending Clause 25.

The original Clause I. was negatived.

Mr. Feetham moved the following amendment to the Prime Minister's proposal: "To omit 'declared to expire on' and to substitute 'extended to'; and to omit '1920' and to substitute '1921.'"

The object of the amendment, he said, was to enable time to be given for the revision of the Constitution of a new Senate, so that the new Senate would not have to be elected under Section 25 of the South Africa Act of Union. If this procedure were not adopted they might find themselves saddled with the old one for another ten years, as it would certainly be difficult to persuade the new Senate to pass a vote of no confidence in itself. Even by both Houses sitting together it would be most difficult to arrive at a satisfactory conclusion. He urged that the country should be given an opportunity carefully to consider the matter.

Mr. F. W. Beyers insisted that whatever the Prime Minister did now he would still be on the horns of a dilemma, and even by the present proposed action he would have to bring in a new Bill before the 31st October. He would prefer the Prime Minister to take the bold course of saying that Parliament, being the supreme body, had the right to alter the Constitution.

Mr. T. Boydell thought the question they should be discussing was not so much whether the Senate's term should expire on the 31st May or the 31st October, but rather if the Second Chamber should not be abolished and the legislation of the country carried on by a single Chamber. Several of them thought the Second Chamber unnecessary. They attached no weight to the argument that a Second Chamber was a check on hasty legislation. As a matter of fact 98 per cent. of the legislation which went through the House of Assembly was without question, and even sometimes without discussion, agreed to by the other House. He suggested that Parliament should pass legislation dealing with the future Constitution of the Senate, even if the Session had to be prolonged another

month for the special purpose. If the Government refused to do that the Labour Party would support Mr. Feetham's amendment.

The Right Hon. J. X. Merriman (South African Party, *Stellenbosch, Cape*) said they were proposing to pass legislation in direct conflict with the Act of Union. The Senate would expire by effluxion of time in a few days, as its period of existence terminated ten years after Union came into force. The Senate might object to the Bill, saying it would abide by the Constitution, and then the Bill would not pass. He strongly opposed Mr. Feetham's amendment, and suggested it would be better to get the Senate now sitting to form a Committee to meet another Committee which might be formed from the House of Assembly, together to frame some makeshift to get over the immediate trouble.

The Prime Minister said they quite realised the seriousness of the position which had arisen, and that within a few days the Government might find itself without a properly constituted Parliament. It seemed to him a most far-reaching step to take to permit a body which had been elected to lengthen its own life, because that was what they would be doing in adopting Mr. Feetham's amendment. Further, he was not at all sanguine about solving the question of a new Constitution in twelve months. The amendment he had suggested would accomplish what they were after—namely, to carry on the present Senate until the 31st October, 1920, and Section 25 of the South Africa Act would provide for the continuance of the Senate thereafter. He did not think that whatever action they took the Law Courts had any jurisdiction. Section 59 of the South Africa Act, it seemed to him, made this quite clear. He had no objection to Mr. Van der Riet's amendment if the date were altered to "1920."

The new clause as proposed by the Prime Minister was agreed to, and the other proposals were negatived.

Mr. R. Feetham then proposed a new clause. (See (2) of Summary.)

This was agreed to and the Bill was reported with amendments.

Third Reading.

In the House of Assembly on the 19th May, 1920, the Bill as amended in Committee was considered.

Mr. R. Feetham said the pressure of time made it essential that the present Bill should be passed in order to remove some awkward doubts, and for that reason many acquiesced in the Bill as it stood. That, he hoped, did not mean they were going to yield to the persuasion of the Prime Minister that they

should allow this question to be left alone. They tied themselves up to the Provincial System if they elected a Senate under the present provisions of Section 25 of the Act of Union.

Mr. T. Boydell wanted to know from the Prime Minister whether he would call a convention before next Session, or, failing that, whether he would before 31st October make an effort to deal with the question of reconstituting the Senate on lines in keeping with the new conditions. He was convinced, in view of the unanimity in the House regarding it, that members would not object to prolonging the Session until some solution had been arrived at.

Mr. A. S. Van Hees (*Nationalist, Christiana, Trans.*) said that, as at present constituted, the Senate was useless and was quite unnecessary and, no more than the King, did it serve any useful purpose. Let them discard both, for one was as useless as the other.

The Prime Minister said he thought there was some confusion in the mind of Mr. Van Hees. To be true to the Constitution did not mean that they should stand for all time to every Dot and T of the Constitution. The machinery of the Constitution changed from time to time. The question was whether they were going to be true to the fundamental principles and spirit of their Constitution. Owing to the matter not having been dealt with in previous years, they had at the last moment to face a serious question, almost a crisis, in the Constitution of the country. All sides of the House had recognised the difficulty, and had helped, so there was every possibility the measure would be through the Legislature before the 31st instant. The Government was simply facing the issue so as to remove doubts which had arisen under the Act of Union as to the date of the expiry of the Senate. There remained behind that the larger question of what the future Senate was going to be.

If they were going to take any wise action in regard to a grave constitutional reform, they ought to proceed by consent and with the co-operation of all parties. The Senate was not an ideal one, but it had served a very useful purpose, and on the whole had been a fair and moderate revising chamber. During the present Session he was anxious to consult the leaders of Parties, to see whether it was possible to agree about the personnel, both from members of the Senate and the Assembly, of a Speaker's Conference, which would meet after the recess and at leisure, and from a non-Party point of view, and in a spirit of co-operation try to thrash out the details of a new Senate. Then they would frame a report, and if that report commended itself to the good sense of the country, he hoped that in the next Session it would be

possible to deal with the matter, and put through a revised Constitution of the Senate.

The Bill was read a third time and transmitted to the Senate for its concurrence.

DEBATE IN THE SENATE.

In the Senate on 21st May, 1920, **The Prime Minister Lieut.-General the Right Hon. J. C. Smuts**) moved the Second Reading of the Constitution of the Senate Bill.

Senator the Hon. I. W. B. de Villiers asked if the measure was not in conflict with the South Africa Act.

The President replied that the interpretation of the South Africa Act with regard to the matter rested with the House itself and not with him.

Senator de Villiers said he did not agree that the measure was in agreement with the South Africa Act. He had no doubt the present Senate had been constituted for ten years as from 31st May, 1910, and that that applied to present Senators. The Senate, as a House of Review, had to see very carefully that the Constitution was carried out, more especially as the Courts of the land had no right under the Constitution to declare any Act of Parliament unconstitutional. The Government would have been better advised to bring in a measure to constitute a new Senate after 31st May. Two or three years ago the Senate had considered the question of its own Constitution, and certain proposals had been made; that nothing had been done was not its fault.

Senator the Hon. H. G. Stuart (Chairman of Committees) said he would like to have seen a distinction drawn between the Constitution of the Senate and the time when members should vacate their seats. The pity of it was that the Bill was only to remove doubt, and did not provide for a new Constitution of the Senate. He considered that this was the psychological moment to remove all doubt with regard to the Senate, which the Bill did not do, and the Government should introduce a Bill before 31st October for this purpose. He thought, however, the present measure should pass.

The country must have the very best Second Chamber, and while they were dealing with the matter let them have the very best. He acknowledged it was a most difficult constitutional problem to get an efficient Upper House, especially in a new country, and he was glad that the Prime Minister had not stated it was the intention to extend the life of the Senate until October, 1921. Personally he had impressed on the Government the importance of taking up the question

of the Constitution of the Senate for the last two years. The late General Botha had promised that the Government, which would welcome suggestions, would deal with the matter, yet nothing had been done. He thought it would be almost criminal to let the whole question slide at the present moment, and he was going to put a Motion on the Paper to deal with it.

Senator the Hon. J. J. Ware said it was his opinion the Senate should be ended, not mended. He said the public thought slightly of the Senate, and that was largely due to the way the Government had treated that House, throwing its resolutions into the waste-paper basket. However, he would not oppose the Bill.

Senator the Hon. C. G. Marais expressed the emphatic opinion that the National Convention had done well in determining that the Senate should be elected as it had been. He disagreed with those who called the Senate an "ineffective body" or a "rubber stamp." Many substantial motions had been adopted by the Senate, important Bills had originated there, and a large number of Bills from the House of Assembly amended. Having read a long list to show what work the Senate had done, Senator Marais concluded by heartily supporting the Bill.

Senator the Hon. J. Schofield said there had not been a breath of complaint on the part of the public against the Senate, although there had been two general elections since 1910.

Senator the Hon. P. Whiteside thought the Bill should have been introduced in the Senate, and not in the House of Assembly. He recalled how he had been elected the sole Labour Senator by the Transvaal Legislative Council and Assembly, and feared that under the proposed new system there would be no Labour representation, while the voice of Labour was every day becoming more articulate, and one day it would be in the majority. The Senate should be properly representative of the people. If it was a useless body, whose fault was it? The Senate had been treated by the Government as it should not have been, insufficient legislation coming forward at the earlier part of the Session, and there being insufficient time towards the end of the Session to consider all the work that was then placed before Senators. He wanted to enter the most emphatic protest he was capable of against the system of constituting the new House; it was undemocratic if there were large sections of the public which were unrepresented.

Senator the Hon. A. A. Cilliers supported the Bill.

Senator the Hon. G. G. Munnik said that had the Prime Minister not been away from the country they would not have been in this mess, and the Bill was the toll they had to pay

for that absence. They had, as the Prime Minister said, the rope around their necks and the drop would fall on 31st May unless that Bill was passed. The Senate, he maintained, had done its specific duty as a House of Review, and he hoped that the people outside would stop that carping at the Upper House.

The Prime Minister did not reply on the debate and the Second Reading was agreed to.

On 25th May, 1920, the Committee stage was taken and subsequently the Bill, unamended, was read a third time and passed.

WOMEN'S FRANCHISE MOTION.*

In the House of Assembly on 20th April, 1920, Mr. D. M. Brown moved :—

“That in the opinion of this House the time has arrived when the right of voting for members of the Union Parliament and the Provincial Councils should be extended to women.”

Mr. D. M. Brown (*Unionist, Three Rivers, Cape*) said he was not without hope that in the event of the motion being carried the Government would introduce a Bill to give women the vote. In the last Union Parliament the principle was carried by a small majority. Since 1912 sixteen countries had given the franchise to women. Four-fifths of the education of the children of South Africa was in the hands of women, yet these women were not allowed to vote. They could not say these women were not intelligent enough, so the only disqualification was sex. Mr. Brown concluded with an earnest appeal that the House should pass the motion.

Mr. J. F. Naude (*Nationalist, Pietersburg*) said that even the old Volksraad of the Transvaal had by resolution laid it down that where a man was a burgher, his wife would also have the rights of citizenship. If women were given the vote in South Africa the position of the white population would be greatly strengthened.

Dr. T. C. Visser (*Nationalist, Vrededorp, O.F.S.*) supported the motion, and said that if Mr. Brown made it apply to European women only it would be more acceptable. It was unfair that while natives in the Cape had the vote, European women had not.

The Rev. L. P. Vorster (*Nationalist, Albert and Aliwal, Cape*), in supporting the principle of the motion, said personally

* A Bill to extend the Franchise to Women was introduced by Mr. D. M. Brown on 11th May, 1920. The latest information received on going to press showed that the Bill was still under discussion. A summary will be given in the next issue.

he supported the principle that the franchise should only be extended to the heads of families.

Mr. C. J. Langenhoven (*Nationalist, Oudtshoorn, Cape*) opposed the motion. If women came into Parliament, he said, they would no longer attend to the duties of the home.

Lieut.-Col. H. S. Grobler (*South African Party, Bethal, Trans.*) opposed the motion on the grounds that the best type of women in his experience did not want the vote.

The debate was adjourned.

In the House of Assembly on 3rd May the debate was resumed.

Mr. C. A. van Niekerk (*Nationalist, Boshof, O.F.S.*) said the whole proposal was in conflict with woman's calling and was a revolution against nature. He foresaw the direst results if women received the vote and were allowed to sit in Parliament.

Mr. J. P. Mostert (*Nationalist, Namaqualand, Cape*) moved as an amendment to insert the word "European" before "women." Later he wished to withdraw this amendment, but objection was taken and he was unable to do so.

Mr. G. A. Louw (*South African Party, Colesberg, Cape*) was opposed to the motion, one of his grounds being that the qualifications for the franchise were so divergent in the respective Provinces.

Mr. H. W. Heyns (*Nationalist, Middleburg, Trans.*) said he had never heard of the Dutch women making any request for the vote. Why then should the franchise be thrust upon them? He suggested that they should wait until the demand was more general and the country more thickly-populated. If women received the vote the number of divorces would increase to two thousand, because woman would think she could do without men altogether.

Mr. M. Bisset (*Unionist, South Peninsula, Cape*) sympathised with Mr. Mostert who was now unable to withdraw his amendment, as it would set up an entirely new colour-bar. He was surprised at the suggestion coming from the Nationalist Party, and at that Party having made eloquent appeals to the coloured population to throw in their lot with "those who had complete identity with their interests."

Mr. J. S. Smit (*Nationalist, Klerksdorp, Trans.*) thought that if women were allowed to take their part in politics it would make for a cleaner political life. He considered that woman had well proved her right to the vote.

The Minister of Mines, Industries and Education (*Hon. F. S. Malan*) said that he was pleased Mr. Mostert was prepared to withdraw his amendment; they must not confuse the issue by bringing in the colour question, but let Parliament simply express itself for or against the motion. Replying to

certain arguments he said it would be quite possible to arrange for persons to vote by proxy.

Col. F. H. P. Creswell (**Leader of the Labour Party**) said that the British House of Commons would have gone on indefinitely with their farcical debates and paid no further attention if women had not taken direct action. He recognised that he felt much less strongly than thousands of women on the subject. The sooner they got the other half of humanity into the electoral system and introduced fresh ideas the better it would be.

Mr. M. Alexander (**Unionist, Cape Town, Castle, Cape**) objected to a fresh colour-bar, and said if the amendment was carried he should vote against the substantive motion, although he was entirely in favour of granting the franchise to women.

Mr. C. W. Malan (**Nationalist, Humansdorp, Cape**) objected strongly to the attitude which many members had taken up on the question of coloured voters. He hoped a vote would be taken which would clearly indicate the views and the decision of Parliament.

Mr. P. W. le Roux van Niekerk (**Nationalist, Waterberg, Trans.**) supported the motion, and expressed a hope that there would never be any necessity for the women of South Africa to take direct action.

General the Hon. J. B. M. Hertzog (**Leader of the Nationalist Party**) said he was going to vote against the motion although he considered woman was entitled to the vote as well as man. Giving the vote to the women of South Africa was not like giving the vote to the women of other countries. There the polling stations were easily accessible, while in South Africa women would have to travel long distances to record their votes. In the country a large percentage would never be able to vote. Until facilities were greater he thought the right to vote should not be given, as it would exist only on paper.

Mr. D. M. Brown, replying, said that if the members were in earnest about the amendment, now was not the time for it, but when the Bill came forward. They were now discussing the principle of votes for women, not the details. Had the members, he asked, who said women did not want the vote made any investigations? They might stem the tide to-day, but why should South Africa lag behind other civilised States?

Mr. J. P. Mostert's amendment was negatived. The voting on the motion was on non-party lines and resulted as follows :—

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NEWFOUNDLAND.

The First Session of the twenty-fourth Parliament commenced in April, 1920, and terminated on 13th July. The Debates of the Session had not reached the United Kingdom in time to be dealt with in the present issue, but some of the Bills which were introduced are summarised below.

FORMER ENEMY ALIENS BILL.

This Bill is to prevent the entry, except by special permission, of former enemy aliens into Newfoundland, or their acquisition of property, or their employment on ships registered in the Colony, for a period of three years.

The Bill provides that no former enemy alien shall, for a period of three years after it has passed into law, be permitted to land in the Colony either from the sea or from the air, or, if he should land without permission, remain in the Colony without the permission of the Colonial Secretary, to be granted only on special grounds, such permission being limited in duration to a period of three months, but renewable upon special grounds from time to time for a like period. A list of persons to whom permissions are granted must be published in the *Royal Gazette*.

During the same period of three years it shall not be lawful for a former enemy alien, either in his own name or in the name of a trustee, to acquire property of any of the following descriptions :—

(A) Any land or interest in any land in the Colony ; provided that the expression " interest in land " shall not include a tenancy for a period not exceeding three years at a rack rent ;

(B) Any interest in any industry, or any share or interest in a share in a company registered in the Colony, which is contained in the list of industries published for that purpose in the *Royal Gazette*.

(C) Any share or interest in a share in a company owning a British ship registered in the Colony.

If any such property is acquired in contravention of this section, it shall be liable to be forfeited to the Crown on an application being made to the Colonial Secretary for that purpose.

The Bill further provides that no former enemy alien shall be employed or shall act as master, officer or member of the crew of a British ship registered in the Colony.

Any Consul or Vice-Consul and his family may be exempted by the Colonial Secretary from the provisions of the Bill, and no restrictions are to be imposed on any duly accredited head of a foreign diplomatic mission and his staff.

These measures do not apply to a subject who has changed his allegiance as a result of the recognition of new states or territorial rearrangements, or who has been naturalised in any other foreign state or in any British possession in accordance with the laws thereof and when actually resident therein, and does not retain according to the law of his state of origin the nationality of that state ; nor do they apply to any woman who was at the time of her marriage a British subject.

MASTERS' AND MATES' CERTIFICATION BILL.

The preamble to this Bill states that owing to the abnormal conditions produced by the War, there is a large number of masters and mates in the Colony who have been unable to obtain certificates of competency in the manner provided by the law, but who are otherwise competent to command and serve in sea-going ships; and that it is desirable, in the interests of the Colony and its trade, that such persons should be permitted to command and serve in such ships.

The Bill therefore provides for a Board of Examiners, which includes the Minister of Marine and Fisheries, with the duty of conducting examinations of applicants for certificates of service as masters and mates of sea-going ships. Every person who is, after examination by the Board, reported by it to be a fit and competent person to serve as master, first mate or only mate of a sea-going ship, shall be entitled to receive from the Governor-in-Council a certificate of service. The Board is only to remain in existence until 1st January, 1921.

BUSINESS PROFITS TAX AMENDMENT BILL.

This Bill is to amend the Business Profits Tax Act, 1917.

The Bill provides that the Minister of Finance shall, on or before the 30th April in each year, or on or before such other date as he may in any case or cases prescribe, determine the several amounts payable for the tax, and shall thereupon send by mail a notice of assessment, in such form as the Minister may prescribe, to each taxpayer, notifying him of the amount payable by him for the tax. The tax shall be paid each year within thirty days after the date of mailing such notice. The mailing of the notice of assessment shall be presumptive evidence of the giving of the notice, and such record shall be preserved by the Assessor. If the tax is not paid when due, a penalty of ten per cent. of the tax shall be added, plus one per cent. each month until paid. If a taxpayer fails to make a return as required by Section 8 of the Act, the penalties named in this section shall apply from the date that such return should have been made.

COMMEMORATION DAY.

A Bill has been introduced into the House of Assembly providing that:—

“In this Colony in each and every year the first Sunday in the month of July shall be kept and observed as and under the name of Commemoration Day, so that the deeds and sacrifices of those men and women of Newfoundland who took an active part in the late War shall be kept in remembrance with honour and respect.”

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INTRODUCTION.

With the issue of the present quarterly number the first year in the life of the JOURNAL OF THE PARLIAMENTS OF THE EMPIRE is completed. It is not necessary to repeat any of the observations made in the Introductions to previous issues as to the appreciative views expressed upon the utility of the JOURNAL as a method of keeping members of the Parliaments of the Empire informed upon each other's point of view and legislative proposals, but it is certainly worthy of record that the members of the Branches of the Empire Parliamentary Association in the Parliaments of Canada, the Australian Commonwealth, and South Africa have, quite independently, passed formal Resolutions, in the course of which the Branch of the Association in the Parliament of the United Kingdom is assured of the "great value and usefulness" of the JOURNAL, that it is "of incalculable assistance to members in the discharge of their Parliamentary duties and well designed to provide an intelligent system of exchange of information between the Parliaments, and to convey an accurate idea of the actual work of the Parliaments throughout the Empire."

Individual members of the Parliaments of New Zealand and Newfoundland have likewise given expression to their appreciation of the JOURNAL, and the fact that no more formal acknowledgment has been received from the Branches of the Association in those Parliaments may perhaps be owing to the annual meetings for the present year not having yet been held.

In the present number of the JOURNAL a great deal will be found in the proceedings of each Parliament of common interest to legislators throughout the Empire. In several cases similar problems, financial and economic, have been discussed in the different Parliaments, and it is important for legislators, situated as they are in countries where conditions are often widely divergent, to appreciate some of the reasons which influence the attitude of their Parliamentary colleagues in other nations of the Empire. Discussions will be found dealing with subjects arising out of the war, and the relations of the Dominions with other countries of the world, notably the Nauru Island agreement (in the United Kingdom Parliament), Samoa (in the New Zealand Parliament, where the matter of indentured labour was discussed), the South-West Africa mandate (in the Union Parliament), and defence, representation, financial and economic questions generally. In the Canadian Parliament it has been possible to record together for the first time the discussions relating to naval,

military and air service proposals, while in the South African Parliament the Prime Minister and the Nationalist leaders have defined their attitude upon the important subject of the naval policy of the Union. Again, matters of immigration, naturalisation, enemy property, etc., bear international aspects of no small importance.

In the area of more domestic concern, perhaps the most notable matter which has received treatment from all the Parliaments whose proceedings are summarised (except the United Kingdom) is that of increased pay for Members of Parliament.

In the United Kingdom summary, the full legislative programme of that part of the Session which ended in August last contains much that will interest oversea members, *e.g.* discussions and Bills relating to Ireland, the mining industry, the Ministry of Health, the blind, and last, but not least, the proposal to erect a monument to the late Mr. Joseph Chamberlain, who, in the words of Mr. Lloyd George, "aroused the national spirit and awoke the national intelligence to the value, and to the imperative need, of strengthening the bonds of fraternity between the various parts of the Empire."

Economic subjects of importance have been discussed in the Parliament of the Australian Commonwealth, while financial matters have received a good deal of attention in the Parliaments of New Zealand and South Africa. In the last-named Parliament the lengthy discussions on the Currency and Banking Act, which establishes a Central Reserve Bank for the Union, are being held over, though the discussion dealing with the embargo upon the export of specie is given, together with a short summary of the Report of the Select Committee upon which the Currency and Banking measure was based.

Though not strictly a part of Parliamentary proceedings, a footnote has been appended to the South African portion shortly summarising General Smuts' appeal in favour of the formation of a new moderate party in the Union.

THE EDITOR.

EMPIRE PARLIAMENTARY ASSOCIATION

(*United Kingdom Branch*),

WESTMINSTER HALL,

HOUSES OF PARLIAMENT,

LONDON, S.W.1.

25th October, 1920.

UNITED KINGDOM.

The proceedings of the Second Session of the present Parliament between the date of reassembly after the Easter Recess and 30th June, 1920, were dealt with in the last number of the JOURNAL. A summary of transactions of general interest in both Houses during the period beginning on 1st July and ending on 16th August, when Parliament adjourned for the Autumn Recess, will be found below.

NAURU ISLAND AGREEMENT ACT.

On 4th August, 1920, the Royal Assent was given to the Nauru Island Agreement Act,* which, after consideration by a Standing Committee, was reported to the House of Commons early in July. An important change made in the Bill during its passage through Committee was the insertion in Clause 1 of the following words :—

“The agreement is hereby confirmed, subject to the provisions of Article 22 of the Covenant of the League of Nations.”

DEBATE IN HOUSE OF COMMONS.

The Bill went through the Report stage in the House of Commons without discussion on 19th July, and the Third Reading was moved immediately afterwards.

Commander J. A. Dawes (*Coalition Liberal, Southwark*) recalled a statement by the Parliamentary Secretary to the Ministry of Shipping in a previous debate that the present nominal market value of the shares showed that the Government were making by no means a bad bargain in taking over the undertaking at a price of £3,500,000. The agreement with the Company, Commander Dawes said, was signed on 2nd July, 1919, but it was clearly well known many months before that in all probability the Company would be taken over. In October, 1918, the ordinary fully-paid-up shares were worth £3 19s. 8½d. and the 10s. paid shares about £2 6s. 3d. Those were the shares for which they were now paying £12 8s. 6d. and £3 18s. 4d. respectively. The proper course for the Government to have adopted, when they knew they were going to take

* A summary of the Second Reading Debate in the House of Commons will be found in the JOURNAL, Vol. I., No. 3, page 407.

over the Company, would have been to have gone into the market and bought the shares. Instead of having made a magnificent bargain, it seemed to him that on the £3,500,000 they would get a return of somewhere about $6\frac{1}{2}$ per cent. It was said that they were taking an unfair advantage of the rest of the world; therefore he hoped it would be made clear that the transaction was of doubtful financial value, and might turn out an exceedingly bad one.

The Right Hon. Sir Donald Maclean (Chairman of the Independent Liberal Party in Parliament) referring to the change made in the Bill in Committee, said it was the first instance in the House of the League of Nations getting to work on the Statute Book. He hoped Article 22 would be carried out not only in the letter, but in the spirit, that the words of the first Clause of the Bill would be the basis on which the Joint Governments would act, and that while they looked after the business side of the undertaking they would also see, in the words of the Covenant, that

“There should be applied the principle that the well-being and development of such peoples form a sacred trust of civilisation.”

Mr. Oswald Mosley (Coalition Unionist, Harrow) declared that the Bill was a violation of the fundamental principle of the mandatory system, namely, the principle of trusteeship.

Defence of the Agreement.

The Parliamentary Secretary to the Ministry of Shipping (Colonel Leslie Wilson), dealing with the financial side of the question, said that before the agreement was entered into it was carefully examined not only by the British, but by the New Zealand and Australian Governments. He had the authority of Mr. Watt, the Treasurer of the Australian Commonwealth, for saying that he carefully examined the financial part of the agreement and it met with his approval. The purchase price of £3,500,000 represented, as nearly as possible, 16 years' purchase, and that was a very moderate valuation in such cases. The House must realise that the phosphate deposits in Ocean Island and Nauru had not nearly reached their full capacity of output. As to the market value of the shares, if they took a date in 1919, before there was any indication whatever of the intention of the Government to buy out the Company, the fully-paid shares were over £5 and the partly-paid shares over £3. An indirect benefit from the agreement would be that the price at which phosphate could be sold in this country would have an effect in keeping down the price of phosphate bought from other parts of the world.

The amendment which was inserted in the Bill was carried by a majority of one. His first reason for resisting the amendment in Committee was that, as the agreement had been signed by the Prime Ministers of Great Britain, Australia, and New Zealand, and as those three Prime Ministers had also put their names to the Treaty of Peace and to the Covenant of the League, it was almost tantamount to saying they were not prepared to carry out the provisions of the Treaty if it was believed that they did not intend to carry out the terms in accordance with Article 22 of the Covenant. His second reason was that the agreement was in strict accord with Article 22, and the other Governments concerned fully realised that. The opinion of His Majesty's Government was that the agreement was to be subject only to such provisions of Article 22 as were applicable thereto, more particularly the relevant passages of paragraph 6, and not that part of paragraph 5 which referred to equal opportunities for trade for other members of the League.

Lieutenant-Commander Kenworthy (Independent Liberal, Hull, Central): "In view of the geographical position, may I ask whether Nauru is considered, for matters of administration, to be an integral part of Australia or of New Zealand, or of the United Kingdom?"

The Parliamentary Secretary to the Ministry of Shipping: "The mandate was granted to the Empire, and it is an integral portion of the British Empire. There is no doubt from the papers laid on the Table of the House, and from facts which have been accepted by that great exponent of the League of Nations, General Smuts, that there never was the slightest intention that Class C. mandates should be subject to the principle of the open door."

On a division the Third Reading of the Bill was carried by 116 votes against 31.

DEBATE IN HOUSE OF LORDS.

The Bill came up for Second Reading in the House of Lords on 29th July.

The Secretary of State for the Colonies (Viscount Milner) said that in his opinion no danger ever existed that the provisions of the agreement might be in conflict with the Covenant of the League of Nations. The agreement about Nauru was only one of a number of steps which had been taken, and were constantly being taken, by one or other of the Mandatory Powers in dealing with their mandated territories on the assumption that the conditions on which they were to administer those territories when finally ratified would conform to

the terms of Article 22 of the Covenant. It was a complete mistake to suppose that the agreement itself needed to be submitted to the Council of the League. If no Mandatory Power should take any action with regard to a mandated territory without first obtaining the counsel of the League of Nations, the mandatory system would be totally unworkable. He regarded it as the duty of the Council to see that the terms of mandates and the provisions of Article 22 were duly observed, but it was quite another thing to say that nothing could be done without its previous approval. His own belief was that no objection was ever likely to be raised against the agreement before the Council, and he was certain that if such an objection were raised it could not be sustained.

Lord Emmott believed that in one way the Bill was a precedent, because he did not think that ever before had the products of a part of the Empire been allotted on preferential terms to certain parts of the Empire to the exclusion of the rest. Why were Canada, South Africa and India, all producers of wheat, debarred from participating in the produce of Nauru Island? That seemed to him to be a new and most undesirable development in their policy. The agreement destroyed the system of the open door on which for over half a century they had conducted their Colonial system.

After some further remarks from the Secretary of State for the Colonies the Second Reading was agreed to, and the Bill was subsequently passed through its other stages.

NAURU ISLAND AGREEMENT (ADMINISTRATION).

In the House of Commons on 1st July the Government was questioned regarding the administration of the island.

Mr. T. Thomsón (*Independent Liberal, Middlesbrough, W.*) asked the Prime Minister,

Whether, as the mandatory Power for the Nauru Island, it was the intention of His Majesty's Government to so administer this island as to secure equal opportunities for the trade and commerce of other members of the League, including the purchase of its phosphates, in accordance with Article 22 of the Covenant of the League of Nations, to which His Majesty's Government had subscribed?

The Under-Secretary of State for the Colonies (*Lieut.-Colonel L. S. Amery*) made the following reply:—

It is the intention to administer the Island of Nauru in accordance with the sixth paragraph of Article 22 of the Covenant of the League of Nations.

PUNJAB DISTURBANCES.

(Case of General Dyer.)

Following the issue of the report of Lord Hunter's Committee on the disturbances in the Bombay Presidency, in Delhi, and in the Punjab in the spring of 1919, full debates took place in both Houses. The main report was signed by Lord Hunter and the four other British members. A minority report was presented by the three Indian members of the Committee. A despatch from the Government of India on the subject was published with the reports.

In respect to the Jallianwalah Bagh tragedy the Government of India agreed with the Committee that General Dyer should have given warning to the crowd before opening fire, and that his action in continuing to fire until his ammunition was expended was indefensible. General Dyer "exceeded the reasonable requirements of the case and showed a misconception of his duty which resulted in a lamentable and unnecessary loss of life." They were convinced, however, that he acted honestly in the belief that he was doing what was right, and that in the result his action at the time checked the spread of the disturbances to an extent which it was difficult now to estimate.

A despatch from the Secretary of State for India, in reply, was published simultaneously and contained the announcement that the Cabinet repudiated emphatically the doctrine upon which General Dyer based his action. The following is a quotation from the despatch :—

That Brigadier-General Dyer displayed honesty of purpose and unflinching adherence to his conception of his duty cannot for a moment be questioned. But his conception of his duty in the circumstances in which he was placed was so fundamentally at variance with that which H.M. Government have a right to expect from, and a duty to enforce upon, officers who hold H.M. Commission, that it is impossible to regard him as fitted to remain entrusted with the responsibilities which his rank and position impose upon him. You have reported to me that the Commander-in-Chief has directed Brigadier-General Dyer to resign his appointment, has informed him that he would receive no further employment in India, and that you have concurred. I approve this decision and the circumstances of the case have been referred to the Army Council.

Army Council's Decision.

The decision of the Army Council in reference to General Dyer was announced to the House of Commons by the Secretary of State for War in reply to a question by Sir W. Joynson-Hicks (Coalition Unionist, Twickenham) on 7th July.

The Secretary of State for War (the Right Hon. Winston Churchill), after informing the House that a statement made to the Army Council by General Dyer would be issued to members, said :—

With regard to the decision of the Army Council, they have come to the following conclusion: The Army Council have considered the Report of the Hunter Committee, together with the statement which Brigadier-General Dyer has by their direction submitted to them. They consider that, in spite of the great difficulties of the position in which this officer found himself on 13th April, 1919, at Jallianwallah Bagh, he cannot be acquitted of an error of judgment. They observe that the Commander-in-Chief in India has removed Brigadier-General Dyer from his employment in India and that he has been informed that no further employment will be offered to him in India and that he has in consequence reverted to half-pay, and that the Selection Board in India has passed him over for promotion. These decisions the Army Council accept. They do not consider that further employment should be offered to Brigadier-General Dyer outside India. They have also considered whether any further action of a disciplinary nature is required, and the Army Council, in view of all the circumstances, do not feel called upon from the military point of view, with which alone they are concerned, to take any further action.

A supplementary question and answer followed as under :—

Sir W. Joynson-Hicks : “ Is the right hon. Gentleman prepared to endorse the action of the Army Council or is he prepared to defend it here to-morrow ? ”

The Secretary of State for War : “ Certainly.”

DEBATE IN HOUSE OF COMMONS.

The debate in the House of Commons took place on 8th July on the Vote for the expenses of the India Office.

The Secretary of State for India (the Right Hon. E. S. Montagu) said the situation in India was very serious owing to the events of last year and the controversy which had arisen upon them. Referring to the subject of the debate, he remarked : “ If an officer justified his conduct, no matter how gallant his record is—and everybody knows how gallant General Dyer’s record is—by saying that there was no question of undue severity, that if his means had been greater the casualties would have been greater, and that the motive was to teach a moral lesson to the whole of the Punjab, I say without hesitation that it is the doctrine of terrorism.”

Lieutenant-Commander Kenworthy (Independent Liberal, Hull, Central) : “ Prussianism.”

The Secretary of State for India, continuing, said if they agreed to that they justified everything that General Dyer did. “ Are you,” he asked, “ going to keep your hold upon India by terrorism, racial humiliation and subordination and

frightfulness, or are you going to rest it upon the goodwill, and the growing goodwill, of the people of your Indian Empire ? ” If they decided in favour of the latter course, then they had to enforce it. It was no use one Session passing a great Act of Parliament, which, whatever its merits or demerits, proceeded on the principle of partnership for India in the British Commonwealth, and then allowing their administration to depend upon terrorism. India was on their side in enforcing order. Were they on India's side in ensuring that order was enforced in accordance with the canons of the modern love of liberty in the British democracy ?

Domination or Partnership.

There was a theory abroad on the part of those who had criticised H.M. Government upon this issue that an Indian was a person who was tolerable so long as he would obey their orders, but if once he joined the educated classes, if once he thought for himself, if once he imbibed the ideas of individual liberty which were dear to the British people, then they classed him as an educated Indian and as an agitator.

Mr. C. Palmer (Independent, Shropshire, Wrekin) : “ What a terrible speech ! ”

The Secretary of State for India : “ I am going to submit to this House this question, on which I would suggest, with all respect, they should vote : ‘ Is your theory of rule in India the ascendancy of one race over another, of domination and subordination [Hon. Members : “ No.”] or is your theory that of partnership ? ’ If you are applying domination as your theory, then it follows that you must use the sword with increasing severity [Hon. Members : “ No.”] until you are driven out of the country by the united opinion of the civilised world.”

The Right Hon. Sir E. Carson (Leader of the Ulster Unionist Party) said that Mr. Montagu's speech was not one that was likely in any sense to settle the question. “ There will be no dissension in this House,” he said, “ from the proposition that he has laid down. But it does not follow, because you lay down a general proposition of that kind, that you have brought those men on whom you are relying in extremely grave and difficult circumstances as your officers in India within the category that you yourself are pleased to lay down. As to whether they do come within those categories is the real question.” Proceeding, the right hon. gentleman said that General Dyer had no right to be broken on the *ipse dixit* of any Commission or Committee, however great, unless he had been fairly tried. And he had not been tried. To break a man under the circumstances of this case was un-English.

War Office Views.

The Secretary of State for War said the Army Council had to deal with these matters mainly from a military point of view. "I do not conceal from the House," said Mr. Churchill, "my sincere personal opinion that General Dyer's conduct deserved not only the loss of employment from which so many officers are suffering at the present time, not only the measure of censure which the Government has pronounced, but also that it should have been marked by a distinct disciplinary act, namely, his being placed compulsorily upon the retired list." But such a course was barred. General Dyer's conduct had been approved by a succession of superiors above him, and at different stages events had taken place which, it might well be argued, amounted to virtual condonation so far as penal or disciplinary action was concerned. "General Dyer may have done wrong," the right hon. gentleman added, "but at any rate he has his rights, and I do not see how in face of such virtual condonation . . . it would have been possible or could have been considered right to take disciplinary action against him. For these reasons the Cabinet found themselves in agreement with the conclusions of the Army Council."

The Right Hon. H. H. Asquith (Leader of the Independent Liberal Party) remarked that to say in the circumstances that General Dyer had not had a fair hearing and ought to have another opportunity of saying whatever he could say in defence of his conduct seemed to him to be an abuse of language. To ask the House of Commons to reverse upon no new facts the considered decision given was to ask the House to take upon itself, on behalf of the British Empire as a whole, the responsibility of condoning and adopting one of the worst outrages in the whole of their history.

Coercive Legislation.

Mr. B. C. Spoor (Labour, Bishop Auckland) moved to reduce the amount of the salary of the Secretary of State for India by £100. He said the Labour Party appreciated the very definite declaration of the Secretary of State with regard to the question of the rule of force, but they asked that the Head of the Indian Government and Sir Michael O'Dwyer should be dealt with in some way that would secure justice to the Indian people. His Majesty's Government should immediately repeal all the repressive, coercive, and totally unnecessary legislation which had defaced the Statute Book in India, and which had no other effect than to promote continual irritation and dissatisfaction. "Unless that legislation is immediately repealed," said Mr. Spoor, "and the people of India are made to realise that they are in the Empire

on equal terms, so far as their ordinary rights are concerned, with every British citizen, there is not the slightest hope of peace in that country.”

Sir W. Joynson-Hicks said if there was no rebellion but merely a local riot then General Dyer could be rightly convicted of inhumanity and cruelty, but if there was a real rebellion—as he submitted there was and as the Commissioners found there was—then General Dyer’s action was justified. They sent out their best men to the Indian Civil Service and to the Army and they had to trust them, not once or twice, but at all times.

Mr. Rupert Gwynne (*Coalition Unionist, Eastbourne*) said that a great many Anglo-Indians were fully alive to the fact that although General Dyer had to perform a very unpleasant duty, he really saved an appalling situation, and he (Mr. Gwynne) thought everyone, whether Indian or European, must on reflection feel that General Dyer had not had, even after the discussion that day, justice in any sense of the word as they knew it in this country.

The Right Hon. J. R. Clynes (*Vice-Chairman of the Parliamentary Labour Party*) said the Labour Party would go into the Lobby, not for the purpose of reducing the salary of the Secretary of State for India, but as a protest against the action of the Government in taking no steps to remove those conditions of repression which provoked disorder and commotion and led to the unhappy Amritsar affair.

The Leader of the House (*the Right Hon. A. Bonar Law*), replying on the debate, defended the action of His Majesty’s Government as fair and just.

On a division the amendment was negatived by 247 votes against 37. Thereafter, Sir E. Carson moved a reduction of £100 in the total Vote for the India Office, and this also was negatived by 230 votes against 129. The Vote was afterwards agreed to.

DEBATE IN HOUSE OF LORDS.

In the House of Lords the debate was commenced on 19th July and concluded on the following day.

Viscount Finlay, who opened the discussion, proposed the following Motion :—

“That this House deplores the conduct of the case of General Dyer as unjust to that officer, and as establishing a precedent dangerous to the preservation of order in face of rebellion.”

He said that General Dyer had been relieved of all employment in the Army under circumstances which fixed on him

an entirely undeserved stigma. One of the mainstays of their Empire had been the feeling that every officer whose duty it was to take action in times of difficulty might rely, so long as he acted honestly, and in the discharge of his duty, upon his superiors standing by him. If once the suspicion were created that for any reason, political or otherwise, an officer who had done what he believed to be his duty was to be thrown over, no one could exaggerate the mischievous effect such a feeling might have upon their public service.

The Under-Secretary of State for India (Lord Sinha) said that what his fellow-countrymen in India desired was the vindication of principles and not the punishment of individuals. Whatever decision was come to in Parliament there was not a single Indian in India who believed that the situation in the Punjab was in any way similar to that existing in 1857, or that General Dyer's action saved British rule in India.

The Marquis of Crewe did not believe for a moment that the action which the Army Council had taken in this case would deter British officers in the future from taking the necessary responsibility even in circumstances more difficult than those in which General Dyer found himself.

Equal Justice within the Empire.

The Lord Chancellor (Lord Birkenhead), referring to Viscount Finlay's remark as to a stigma upon General Dyer, said that in the course of the War hundreds of officers with most gallant records, and with no provable indiscretion against them at all, had been told that in the opinion of authority their further employment was undesirable. They had no trial; they asked for no trial. "I say of General Dyer," remarked the noble and learned Lord, "that he has had fifty times more opportunity of putting his case before authoritative tribunals than all those officers who were dealt with during the War, and that even larger number of officers who have been dealt with since the War." It had been asked whether there was to be a different standard for their Indian fellow-subjects from that which they would apply in the case of any other insurgent race in Europe. He claimed that anyone who stood there and defended the case of General Dyer should be prepared to defend similar conduct in Glasgow, or Belfast, or Winnipeg. The true view was the only one which was consistent with humanity and the history and greatness of the Empire, and it was that any man who claimed membership in and was a citizen of the Empire, whatever his colour and creed, whatever his geographical location, could look to justice within the Empire.

Lord Ampthill said there was only one opinion in India among those who were not connected with the conspiracy. It was that General Dyer did what was necessary and right. He saved that country from bloody anarchy, and made it safe from further rebellion for years to come.

The Secretary of State for the Colonies (Viscount Milner) said no member of the House was more deeply convinced than he was that there was no human calamity at all comparable with the destruction of social order, and that this was a danger with which they were now threatened all over the world in a degree in which they had never been threatened before, and especially so in India. It was a danger which threatened the ruin of all the high hopes they were basing upon the progressive and liberal policy to which they were committed and which aimed at making India one of the great free, self-governing communities of the British Empire. At every step in that process it was essential, it was vital, to the achievement of their ideal, that whatever might at the time be the constitutional supreme authority it should be absolutely master of the seditious and revolutionary elements that they knew to exist in such serious proportion, and the danger of which it would be madness to ignore. But, starting from those principles, the deeper he went into the subject the more he was forced to the conclusion, to his profound regret, that in the suppression of the disorders with which the report of the Hunter Committee dealt, some acts were done for the maintenance of authority which in their ultimate effect were likely not to strengthen but to undermine it.

New Responsibilities.

Lord Sumner spoke of the new and vast responsibilities which had been undertaken by Great Britain—mandates and other extensions of responsibility among races of ancient traditions, native pride, ill-acquainted with modern economic conditions and ill-satisfied with the results of European policy. "They are," he said, "dangerous fields within which the organised lie of our enemies may work, and I contemplate with alarm the prospect, in the years to come, that it will be increasingly often the duty of military men to deal with sudden outbreaks, or sudden appearances of rebellion, which do not bear the character of an armed revolt but which must be repressed at once, and therefore sternly and unhesitatingly. You are weakening the hands of every one of those officers if you let it be understood from the precedent of General Dyer that they will not get, I do not say support, but a fair consideration of all the difficulties and dangers to which they themselves are exposed."

The Secretary of State for Foreign Affairs (Earl Curzon of Kedleston) said he would very strongly regret if at the close of their proceedings the House was found to dissociate itself from the unanimous verdict of all those high authorities who had hitherto been called upon to deal with the case and to send out a message to India which he was firmly convinced would be a source of very great misapprehension, if not worse, in that country. "I suppose," Lord Curzon observed, "every one of you has read the account of the Jallianwallah Bagh, or, if you have not read it, you have heard it in the various speeches that have been delivered. Extracting from all these presentations the real core of truth, is there anyone in your Lordships' House who can read that tale without sentiments of horror, and even of shame? If we condone this error we endorse the principles upon which General Dyer acted, which have been defended here in this debate as sound principles. . . . We should deal a blow at our reputation in India, we should lower our own standards of justice and humanity, we should debase the currency in our national honour. . . . I cannot believe that you will wish to sever yourselves from all those high authorities who have examined this case, and to give a vote that will do no good to anyone—least of all to General Dyer himself—and that may do an infinitude of harm."

On a division the motion was carried by 129 votes against 86.

MONUMENT TO MR. JOSEPH CHAMBERLAIN.

The House of Commons went into Committee on 11th August to consider a Resolution for the erection of a monument in the Palace of Westminster to the late Mr. Joseph Chamberlain.

The Prime Minister (the Right Hon. D. Lloyd George) moved the Resolution in these terms :

"That an humble Address be presented to His Majesty praying that His Majesty will give directions that a Monument be erected within the precincts of the Palace of Westminster to the memory of the late Right Hon. Joseph Chamberlain, with an inscription expressive of the high sense entertained by this House of the eminent services rendered by him to the Country and Empire in Parliament and in great Offices of State, and to assure His Majesty that this House will make good the expenses attending the same."

The right hon. gentleman said that much of Mr. Joseph Chamberlain's policy still remained in the realm of acute

controversy, but a large part was now beyond challenge by any section, and it was enough to accord him exalted fame in the ranks of British statesmanship. "His social programme," Mr. Lloyd George remarked, "provoked fierce antagonism, not merely amongst his opponents, but even amongst his political associates, for a long time. Yet it is now acclaimed by all parties as a substantial contribution to the well-being and the strength of the Empire. His vision of the importance of strengthening the partnership of the Empire has already been justified by the sternest and most searching test which you could apply to any problem or proposal—that of a great world war. The legislation for which he was either directly or indirectly responsible has left a permanent mark on the lives of the people. . . . Of what he accomplished for the Empire perhaps the Dominions are even better judges than we are, and they have but one mind on the subject.

"He aroused the national spirit and awoke the national intelligence to the value, and to the imperative need, of strengthening the bonds of fraternity between the various parts of the Empire, and the notable part which the Dominions took in the great War, and especially the alacrity with which they took it, was attributable in no small degree to what he did in arousing that sense of partnership and collaboration between the various parts of the Empire. The future alone will reveal the full extent to which his labours contributed to the fashioning of the destiny of the Empire, and, through the Empire, of the fate of mankind."

Mr. Asquith's Tribute.

The Right Hon. H. H. Asquith (Leader of the Independent Liberal Party) observed that alike in character and in intellect Mr. Chamberlain had a clear-cut personality. "Endowed with a strong and masterful will," the right hon. gentleman proceeded, "no man in our time surpassed him in directness of purpose and in the power of concentrated effort. He had an almost unrivalled faculty of appeal to people outside, and he had a dexterity rarely, if ever, exceeded in the arts of party organisation and management. Indeed, at one time, as I well remember, it was a fashion among the hoary quidnuncs of politics—a tribe which still survives—to dismiss him with what in their vocabulary was the most damnatory of all epithets; they used to call him a demagogue. There are, and always have been in history, demagogues and demagogues.

"This acknowledged master of all the resources of the platform acquired with ease, and exercised with consummate versatility and address, the gifts of a supreme parliamentarian. What were those gifts? If I might try to summarise them in a

sentence, I should say this : In cool, clear, incisive statement ; in adroitness and flexibility in debate ; in ready command of humour and sarcasm, easy, unstudied yet biting effective. So far as my memory and judgment go, beyond all and above all, in the development, step by step and stage by stage, of accumulative argument he had few equals, and I believe no superiors in the annals of history."

Labour's Appreciation.

The Right Hon. J. R. Clynes (Vice-Chairman of the Parliamentary Labour Party) said he was uttering what he knew to be in the minds of Labour men in the House when he said that there was no more honoured name in the political activities of their country than the name of Chamberlain. " Our life in many of the great communities," Mr. Clynes remarked, " owes much in its development and improvement to the example and pioneer work of Joseph Chamberlain, even before he entered the House of Commons. I only want to add that he became a pioneer in the sphere of social legislation and industrial effort when industrial legislation had few friends in this country, and I know, if only because of the passing of the Employers' Liability Act and what followed as the result of his efforts, that many an injured workman and many a stricken family have had cause to bless the name of Joseph Chamberlain. For these reasons, if for no other, we gladly associate ourselves with this perhaps belated and perhaps unworthy effort to perpetuate his memory."

The Resolution was agreed to and was duly reported to the House.

FINANCE ACT.

On 5th July the House of Commons began the consideration of the Finance Bill in Committee. The Budget statement of the Chancellor of the Exchequer and the Second Reading debate on the Finance Bill were summarised in the last issue of the JOURNAL. The Budget estimate for the financial year 1920-21 was as follows :—

Revenue	..	..	..	..	..	£1,418,300,000
Expenditure	..	..	..	..	..	£1,184,102,000
Balance for reduction of Debt						<u>£234,198,000</u>

New taxation outlined in the Budget statement and embodied in the subsequent Bill was estimated to yield £198,230,000 in a full year.

DEBATE IN HOUSE OF COMMONS.

The Bill was discussed in Committee during six sittings of the House between 5th and 16th July.

Mr. Stanley Holmes (*Independent Liberal, Derbyshire, N.E.*) moved an amendment to abolish the tea duty. He pointed out that agreements had been entered into with the employees in many trades that wages should be on a sliding scale, going up or down as the cost of living rose or fell; and he asked the Committee to examine the extent to which the wages bill of the country would fall if 1s. per lb. were taken off tea. Nothing gave rise to greater anxiety than soaring prices, and the abolition of the tea duty would not merely bring down the price of tea, but of all other commodities used in the household. If they reduced nominal wages in that way people would be better off, though they would think they were worse off because they got less money. The whole effect of the abolition of the duty would be in the direction of sound deflation.

The Chancellor of the Exchequer (*the Right Hon. Austen Chamberlain*) said to suggest that in times like the present, when he was obliged to ask Parliament to increase the taxes, he should forego the tea duty for the sake of an economic theory, the results of which in practice might lag far behind the expectations of Mr. Holmes, was to make a proposition which no hon. gentleman who supported the amendment would make were he Chancellor of the Exchequer.

Mr. J. M. Hogge (*Independent Liberal, Edinburgh, E.*) supposed the Chancellor would agree that the best method of all in taxation was the method of direct taxation.

The Chancellor of the Exchequer: "No, I do not agree. I agree with Mr. Gladstone when he said that direct and indirect taxes were twin sisters, to both of whose charms we should pay homage."

After further discussion the amendment was negatived by 242 votes against 45.

Import Duties.

Mr. J. D. Kiley (*Independent Liberal, Whitechapel*) proposed an amendment to abolish import duties on certain manufactured and semi-manufactured articles. These duties, he said, were a source of annoyance and were no substantial gain to the community. The time had arrived when they could be removed without serious disadvantage.

The Chancellor of the Exchequer said the proposals were made on pure grounds of revenue, and not as a part of any larger trade policy, or from any particular preference for

Customs Duties over any other form of taxation. Mr. Kiley was concerned with the effect of these duties upon re-export trade, but the real reason why export trade was affected was because the home demand had been so great. The duties were working very smoothly, with very little friction, and there had been no substantial disputes. Moreover, the financial position of the country was not so flourishing that there was any reason to encourage people to spend money on things they could do without.

The Right Hon. George Lambert (*Liberal, Devon, South Molton*) observed that the duties were put on as a War tax to exclude motor cars, musical instruments, watches, and the like from America, as they did not want to import those articles of luxury. Now it was proposed to keep on a Protectionist tax as a part of the normal revenue of the year. That offended his Free Trade principles and he was sorry the Chancellor had done it.

After further speeches the amendment was negatived by 240 votes against 65.

Increased Beer Duty.

On the clause increasing the Excise Duty on beer by 30s. per standard barrel,

Colonel John Gretton (*Coalition Unionist, Burton*) spoke of the vast increase which had already taken place in the taxation of beer. Before the War the taxation on the standard barrel was 7s. 9d. If the Chancellor's proposal were adopted, the total duty, including the Brewers' Licence Duty of 6d. per barrel, would be £5 0s. 6d. per standard barrel. That was an enormous tax on an article which was very largely used and had been part of the customary diet of more than half the population for centuries. The proposed addition to the duty would seriously diminish the consumption of beer and the tax would not yield the amount which had been estimated.

Sir George Younger (*Coalition Unionist, Ayr Burghs*) remarked that if the beer were of pre-War quality people might drink it and be willing to pay the additional charge. He did not think they would drink the beer produced under existing conditions and therefore the tax was likely to be unproductive. It was a case of over-taxation and he believed that in Scotland the trade had already been knocked down 50 per cent.

An Army Experience.

Brigadier-General R. B. Colvin (*Coalition Unionist, Epping*) said that when the Army in Palestine was right up country in 1917 there was a great deal of sickness owing to septic sores.

When they were all able to get beer the sickness decreased by something like 80 per cent. As soon as that was realised, the Army authorities gave every facility for beer to be brought up to the men.

The Right Hon. J. R. Clynes (Vice-Chairman of the Parliamentary Labour Party), speaking for his own constituency rather than for the Labour Party, said that poor people drank beer to a greater extent than others. They did so largely because of their occupations, and their pockets. Millions of men in laborious occupations had become beer drinkers, and as the article was now so heavily taxed, it formed a very serious item in the increased cost of living.

The Chancellor of the Exchequer agreed with Mr. Clynes that this was a question between the Government and the consumer. He did not harbour the idea that the beer barrel was an inexhaustible source of wealth. On the contrary, he admitted the onerous character of the charge put upon it.

Captain J. O'Grady (Labour, Leeds, S.E.): "It is punitive."

The Chancellor of the Exchequer said that if it was any reassurance to those who had spoken for him to disclaim that they could go on increasing the duties on beer and spirits indefinitely, he could make that disclaimer. If, on the other hand, he was asked to say that within a given time, irrespective of any change in the circumstances, he would reduce the beer duty, it was a pledge he could not honestly give.

A division resulted in the adoption of the clause by 232 votes against 71.

Champagne.

Rear-Admiral T. B. S. Adair (Coalition Unionist, Glasgow, Shetileston) moved the first of a series of amendments with the object of placing sparkling wine on the same footing with respect to taxation as other wines. The Bill provided that taxes on wines of every sort should be doubled, but in addition an *ad valorem* duty of 50 per cent. was imposed on sparkling wine. He was all for taxing luxury, but was concerned for the people of France, and particularly those of the Champagne districts.

The Chancellor of the Exchequer said it was well known that the cost of any particular wine bore no relation which was measurable by the public to the cost of the same wine when they found it on the list of a restaurant. It was quite possible that restaurant keepers would have to revise their practice and charge a little more for food or other accommodation, and not tax their wines quite so heavily with charges that had no relation to the cost of the wines to them. In the case of champagne there was a margin of profit which made him feel pretty safe

in suggesting that such wines ought to bear heavier taxation than they had yet contributed to the revenue of the country. Appeal had been made that in this matter His Majesty's Government should have regard for the feelings of the greatest of this country's allies, and he had, therefore, reconsidered the position.

"In deference to the appeal made, even more than to any anticipation of real damage that the tax might do," said Mr. Chamberlain, "I venture to suggest to the Committee that instead of levying this *ad valorem* duty at the rate of 50 per cent., we should reduce it to $33\frac{1}{3}$ per cent."

Sir G. Younger : "Does the right hon. gentleman propose to charge the *ad valorem* duty on the net value of the champagne delivered here, or on its wholesale value as landed here?"

Mr. Chamberlain : "On the c.i.f. value landed here. . . . I am quite prepared to do what I believe will be agreeable to the trade in respect both of wine and of cigars, and charge the duty only when the wine or cigars are withdrawn from bond, the charge to be always at the c.i.f. value as landed."

The amendment moved by Rear-Admiral Adair was withdrawn, and an amendment by the Chancellor of the Exchequer reducing the *ad valorem* duty to $33\frac{1}{3}$ per cent. was carried by 261 votes against 90.

Clauses relating to the abolition of the petrol tax and the substitution for it of a new scheme of taxation for mechanically propelled vehicles were carried without substantial alteration. The clauses dealing with income tax were discussed at considerable length, but only minor amendments were made.

Double Income Tax.

On the clause providing for relief in respect of Dominion income tax,

Sir F. Young (Coalition Unionist, Swindon) said the clause aimed at putting individuals on an equal footing of taxation, whether their investments were within the United Kingdom, or partly or wholly in other parts of the Empire. He believed the idea would be accomplished if the Governments of the Dominions passed reciprocal legislation. But whilst the provisions of the clause improved the position of most of those who were affected by double taxation within the Empire, the position of trading companies was made somewhat worse. They were not to be allowed now to deduct the tax which they paid, say, in Australia, and, as their relief was only approximately what it was under the Finance Act of last year, they were in a worse position. It was of supreme importance that many of these Anglo-Dominion companies should have their headquarters in the United Kingdom.

The Financial Secretary to the Treasury (the Right Hon. **Stanley Baldwin**) said the Government hoped that reciprocal action might be taken in the Dominions, but the Treasury had not yet had time to enter into any negotiations with regard to the matter. The Dominions had now had time to study the report of the Royal Commission and had back with them their representatives who dealt with these matters in London. "I have no doubt," added the right hon. gentleman, "when the time comes for us to come to close quarters on this question, we shall find that they will be no less ready to meet us than we have been to meet them."

The clause was afterwards agreed to without a division.

Excess Profits Duty.

On the clause providing for the continuance of the Excess Profits Duty and the increase of the rate to 60 per cent.,

Mr. George Terrell (*Coalition Unionist, Chippenham*) moved an amendment to maintain the rate of the duty at 40 per cent. He said there was very strong opposition in the trading community to the continuance of the duty, which was a war tax pure and simple.

Sir George Younger expressed the hope that it might be possible to modify the tax. An important consideration was that in many cases the firms concerned had no liquid assets with which to pay it.

The Chancellor of the Exchequer observed that the cardinal feature of the Government policy this year was that there should be no more borrowing. As long as the expenditure of the State continued at the figure at which he estimated it would do for some years to come he did not believe it would be possible for the Government to give up the Excess Profits Duty without finding a substitute for it.

Mr. Charles Palmer (*Independent, Shropshire, Wrekin*): "Economy."

The Chancellor of the Exchequer: "Make all the economies you can, cut down as ruthlessly as you can, and as far as public opinion will permit—I still do not believe that you can simply abolish this tax within a measurable time without putting anything in its place. I shall continue, on behalf of the Government, and with the Government, to study alternatives, and the sooner we can find a more satisfactory alternative the better we shall be pleased. This I say at once: that I never contemplated, nor did the Government contemplate, that the 60 per cent., for which we ask this year and for which I again press, should continue beyond this year. If we are responsible for the finance of next year, we shall not propose to the House a rate of duty in excess of 40 per cent."

The right hon. gentleman added that there was nothing in the situation to-day which, with reasonable courage, prudence, and enterprise on the part of the taxpayer and the Government, could not be met, and which did not justify the proposal laid before the Committee.

Neglect of Economy.

The Right Hon. H. H. Asquith (*Leader of the Independent Liberal Party*) said it should be realised that the maintenance and increase of taxation were the price which had to be paid for the neglect of public economy. "You must pay your bills," the right hon. gentleman proceeded. "You must fulfil your obligations to the public treasury. You must—and here I agree with the Chancellor of the Exchequer—make serious, continuous, and ever-growing efforts to reduce the Floating Debt, which is a millstone round the neck of our commercial community. These are things which require money. Money must be raised, and if you do not get money by saving, you have to get it by taxation. That is the moral of this proposal, and that is the reason why I cannot vote with the hon. Member for Chippenham against the proposal of the Government to continue, and even to increase, this duty."

Mr. W. Graham (*Labour, Edinburgh, Central*) said that representative Labour thought on economics strongly condemned the Excess Profits Duty and was aware of the mischievous results which must follow from its imposition, but the Labour Party agreed with the Chancellor of the Exchequer that it must be continued at least until an alternative was found.

On a division the amendment was negatived by 289 votes against 117.

The new Corporation Profits Tax was the subject of lengthy discussion. An attempt to exclude Co-operative Societies from the incidence of the tax was defeated by 218 votes against 140.

The Report Stage of the Bill was taken on 26th and 27th July.

Third Reading.

On 28th July the Bill came up for Third Reading, when **Mr. Horatio Bottomley** (*Independent, Hackney, South*) moved the following amendment:—

"That this House expresses its regret that in making provision for supplies to the Crown for the year 1920-21 the Government should have ignored previous declarations of Ministers on questions of fiscal policy, and, further, should have placed before Parliament misleading and untrustworthy Estimates of revenue and expenditure."

The hon. member said the country had a debt of £8,000,000,000 and assets which, put at their highest, amounted to £3,000,000,000. They were £5,000,000,000 on the wrong side. "In one form and another," he remarked, "this War has cost us nearer £10,000,000,000 than £8,000,000,000. Would it not be fair to say that we will pay half of it, and that posterity, for whose benefit the War was fought as much as for our benefit, should pay the other half? I say that it would be sound finance, absolutely invulnerable from the logical point of view, to say that £5,000,000,000 must be carried forward as an item well chargeable against posterity, we bearing the other £5,000,000,000. Let us drop all this nonsensical talk about debt reduction when it is absolutely out of the question for us to accomplish it for many a year to come."

The Right Hon. Lord Robert Cecil (*Independent Unionist, *Hitchin*) said the enormous weight of taxation they were asked to sanction filled him with the gravest misgiving; he felt it was really larger than the country could afford to bear. He still held the view that the only way of economising was by what was popularly called rationing the Government expenditure. "My own view is," said Lord Robert, "that the Cabinet of the day ought to meet, and the Chancellor of the Exchequer ought to advise the members what is the limit of expenditure which the country can reasonably stand. That figure, whatever it may be, should be accepted by the Cabinet, and they should then say to the Departments: 'Now it is for you to do the best you can with this amount. You, the War Office, will have so much; you, the Admiralty, so much; you, the Education Department, so much; and so on,' realising that the question is not whether a particular expenditure is in itself desirable, but whether we can afford it. That is the real consideration. We cannot afford everything, and you must make your choice and choose those things which are most essential for the country."

Rational Policy Required.

The Right Hon. H. H. Asquith said they could not bring back the financial, industrial, and economic situation of the country to a healthy point of new departure, they could not start it from that point with any real prospect of a substantial and growing advance, unless they were prepared courageously and unflinchingly to face the necessity in every possible direction of adjusting their policy and making it

* Elected as a Coalition Unionist, Lord Robert Cecil has made a public announcement in his constituency that he now describes himself as an Independent Unionist.

consistent with a lower scale of expenditure and greater saving. "When I say greater saving," Mr. Asquith added, "I mean not merely saving waste—that is important—but saving, or rather avoiding the causes which lead to extravagance; in other words, getting back to what is really a sane and rational financial policy."

The Chancellor of the Exchequer said they had reached, or about reached, the limit of their taxable capacity. He agreed that there was imposed on the Government an obligation not merely to prevent waste, but to refuse to spend money on things which were in themselves desirable because the total of those things was much more than they could afford. The detailed control of expenditure by the Treasury was going on now, and, indeed, he thought had never been more efficiently conducted.

"The real difference," said the Chancellor, "between the expenditure of to-day and the lesser expenditure which we hope to reach very soon depends in the first case upon the disappearance of War charges and in the second place on questions of policy. This is not the time to deal with questions of policy. If you want to make large reductions you can make them by abandoning what I think are the natural responsibilities incumbent upon us as a great nation which has played a part second to none in the great struggle which has just ended. You can give up all care for Palestine and other places in the East, and by shirking your responsibilities everywhere you may hope in that obscurity you will be left alone and will be able to realise economy. . . . I do not believe you would purchase security or economy by such a policy.

"That you should try as soon as possible to reduce your military and naval expenditure, and particularly your military expenditure, I agree. We have tried to do it. We have got as near to rashness in regard to the Army, Navy, and Air Forces as it is possible to do in a world in which we are not the masters. . . . When you come to civil expenditure you can refrain from asking for new services, and you can view jealously every new demand for money. You can abolish the bread subsidy and you can get detailed economy and reductions by decreases here and there. If you want to make a sensible impression you must do it in the sphere of military and naval expenditure or in connection with such things as the bread subsidy, and you will have to accompany it with the most rigorous refusal of new demands."

Labour and a Capital Levy.

The Right Hon. J. R. Clynes said that so far as this country was involved in any charges because of its foreign policy, and

so far as that foreign policy was ambitious, imperialistic, and aggressive, the United Kingdom part of the Empire was paying very heavily for the responsibilities it had undertaken. There was a large section of the people of this country who did not share those ambitions, did not accept those responsibilities, and did not approve of that policy, and objected to paying their part of the bill. As regards saving, he thought some economies might be found practicable as the result of a complete inquiry and examination into the internal workings of the great State Departments.

With reference to a Capital Levy, Mr. Clynes said the Labour Party approached the matter not from the standpoint of class interests, but only with the nation's interest in their minds, and they were convinced that a future Chancellor of the Exchequer would be driven to this device. "It is," remarked the right hon. gentleman, "a device which, I am satisfied, will eventually bring greater relief to the well-to-do classes even than to the masses of poor people. I think there are many business men and well-to-do folks in our country who are blind to their own interest in refusing to support this plan of raising money by extraordinary means to meet an extraordinary financial situation. It is clear that the country has the capital; the reserves of wealth are there. The only difference between raising revenue by taxation and by a Levy on Capital is a difference in period, a difference in point of time; for those who have wealth under their control and capital as their prize will, in the course of a few years, by these very processes of taxation have to pay more than they would be called upon to pay in a short period if a Levy on Capital were imposed."

The amendment was negatived and thereafter the Third Reading of the Bill was agreed to.

The Bill passed through the House of Lords after only a brief discussion on Second Reading, and on 4th August was given the Royal Assent.

RESTORATION OF ORDER IN IRELAND ACT.

After a rapid passage through both Houses the Restoration of Order in Ireland Act received the Royal Assent on 9th August. The measure, which was treated by the Government as one of urgency, was dealt with in the House of Commons under a time-table in the course of two sittings.

The Act provides for the issue of regulations under the Defence of the Realm Consolidation Act, 1914, for securing the restoration and

maintenance of order, including in particular regulations for the following special purposes :—

Extension of the provisions of the 1914 Act respecting the trial by courts-martial or courts of summary jurisdiction and punishment of persons committing offences against the Defence of the Realm Regulations to the trial and punishment of persons who have committed crimes in Ireland, whether before or after the passing of the new Act.

It is, however, provided that :—

(A) Any crime when so tried shall be punishable with the punishment assigned to the crime by statute or common law.

(B) A court-martial when trying a person charged with a crime punishable by death shall include as a member of the court one person (who need not be an officer) nominated by the Lord Lieutenant and certified to be a person of legal knowledge and experience.

Regulations may also be made for the following, amongst other, purposes :—

(A) To provide that a court of summary jurisdiction shall, except in the Dublin metropolitan police district, be constituted of two or more resident magistrates, and that a court of quarter sessions shall be constituted of the recorder or county court judge sitting alone.

(B) To confer on a court-martial the powers and jurisdiction exercisable by justices or any other civil court for binding persons to keep the peace or be of good behaviour, for estreating and enforcing recognisances, and for compelling persons to give evidence and to produce documents before the court.

(C) To confer on persons authorised to summon witnesses before a court-martial the power of issuing warrants for compelling attendance.

(D) To authorise the imposition by courts-martial of fines in addition to or in substitution for any other punishments for offences against the regulations, as well as for crimes.

(E) To authorise the conveyance to and detention in any prisons in any part of the United Kingdom of any persons upon whom a sentence of imprisonment has been passed in Ireland.

(F) To provide for any of the duties of a coroner and coroner's jury being performed by a court of inquiry constituted under the Army Act instead of by the coroner and jury.

(G) To provide that where the court-house or other building in which a court is usually held has been destroyed or rendered unfit for the purpose, the court may be held in another building.

(H) To authorise the trial without a jury of any action, counter-claim, civil bill issue, cause or matter in the High Court or a county court in Ireland which otherwise would be triable with a jury.

(I) To provide for the retention of sums payable to any local authority from the Local Taxation (Ireland) Account, or from any Parliamentary grant, or from any fund administered by a Government department or public body, where the local authority has in any respect refused or failed to perform its duties, or for the purpose of discharging amounts awarded against the local authority in respect of compensation for criminal injuries, or other liabilities of the local authority.

DEBATE IN HOUSE OF COMMONS.

In moving the Second Reading of the Bill in the House of Commons on 5th August,

The Chief Secretary for Ireland (Lieut.-Colonel the Right Hon. Sir Hamar Greenwood) explained that the Bill was in draft in June last, but at his request the Cabinet held it back, as he wished to see how the Assize Courts would function during that month. Unfortunately in many cases those Courts were unable to function because of the failure owing to intimidation of the jurors, both for grand juries and for common juries, to appear in the Court House to do their duty. Therefore, trial by jury in those parts of Ireland had broken down. The Bill did not supersede trial by jury, or the ordinary administration of the criminal or civil courts. It was intended to apply only in those disturbed areas, at the discretion of the Irish Government, where it was impossible for the ordinary tribunals to function, and he assured the House that the discretion would be used with the sole consideration of meting out justice in those areas.

After quoting the opinion of the Lord Chief Justice of Ireland, the right hon. gentleman read a letter which was addressed to the jurors at Waterford City from the headquarters of the Irish Republican Army. It was as follows :—

“Take notice that it has come to my knowledge that you have been summoned as a juror at the forthcoming assizes. Now be it known to you that to obey such summons will be considered an act of treason against the Irish Republic, and you are hereby warned that you will do it your peril.—The Competent Military Authority of the Irish Republican Army.”

Fairness of Courts-Martial.

As to the form of tribunal to be established, courts-martial had been working in Ireland for some years, and he had not seen adverse criticism on the fairness and justness of the procedure or the decisions of those courts. The Bill, therefore, followed the practice now existing and carried on with success in Ireland. After having studied many different kinds of courts held at different periods of the world's history, he had convinced himself that it was not possible to have a fairer court in Ireland to-day than the courts set up under the Bill. Power was taken to give to a Court of Inquiry all the powers now enjoyed by a Coroner's Court, because, as in the case of the ordinary courts, the jury had failed to respond to the summons in many cases. In other cases they had used their judicial office to make accusations against servants of the

Crown, which had sometimes led to their murder. He profoundly regretted to have to introduce a Bill of that kind, but he considered it a paramount duty of the Government to meet the reign of terror that now afflicted Ireland.

Drastic Coercion.

The Right Hon. H. H. Asquith (Leader of the Independent Liberal Party) said that no one who felt it his duty to oppose the Second Reading of the Bill would dispute the gravity of the situation from the point of view of social order. Even in the sombre annals of Irish disturbances there had been no parallel to the existing state of things in Ireland; it was, indeed, a reproach and a scandal to British statesmanship. In his view, the Bill would not be a corrective, or even a palliative. "I have seen in my time," he continued, "many proposals of a coercive character . . . but I do not hesitate to say that, in my judgment, of them all this Bill is the worst in conception and the least likely to produce the results which it is designed to secure."

He doubted very much whether in the long history of Coercion Acts from the time of the Union there had ever been a measure so drastic in its character and so opposed to elementary ideas of constitutional liberty. From the point of view of practical administration the present Bill was not worth the paper on which it was printed and the companion Bill* which the Government had produced had not gone an inch towards paving the way to a settlement.

Dominion Home Rule.

"For my own part," said Mr. Asquith, "I stated a little more than six months ago . . . that in my view the matter had reached a stage at which it was impossible to procure peace—appeasement would be a better word—or anything in the nature of satisfaction to Irish sentiment by any measure which did not to all intents and purposes put Ireland on the same footing as our great self-governing Dominions. . . . For my part I am not in the least scared by the spectre of an Irish Republic, because I am confident that if you give the Irish people as a whole a large, liberal, and adequate measure of Home Rule on Dominion lines, their common sense, their faculty of enlightened self-interest, will prevent them from belittling their country by cutting it adrift from the great associations and traditions of the British Empire. . . . The only way in which you can really grapple with the problem of social order in

* The Government of Ireland Bill.

Ireland . . . is by taking the Irish people into your confidence, if it be possible and practical, by means of a Convention or some machinery of that sort."

The Prime Minister (the Right Hon. D. Lloyd George), referring to Mr. Asquith's speech, said he had rarely in that House heard a more inadequate or futile contribution towards the solving of a great emergency from a first-class statesman. Mr. Asquith came with vague and ill-considered suggestions about Dominion Home Rule, plus a Convention. Did he recollect that the Sinn Feiners, who now commanded the South and West of Ireland, declined to have anything whatever to do with a Convention? Could he name a single man in Ireland who could speak with authority on behalf of the Irish people who would accept his Dominion Home Rule?

Major Mackenzie Wood (Independent Liberal, Aberdeen, Central): "They cannot accept it till it is offered."

The Prime Minister: "The Sinn Feiners, with Mr. De Valera at their head, have distinctly stated they will not accept it."

Questions for Mr. Asquith.

Proceeding, the Prime Minister said that Mr. Asquith had shirked the situation; he would not accept responsibility for enforcing law in Ireland. He got out of it by saying that if only they were to grant Dominion Home Rule it would not be necessary to enforce the law; the Irish people would accept the law. What authority had he for that statement?

The Right Hon. H. H. Asquith: "I am surprised that such an obviously irrelevant question should be asked. I said that I was expressing my own opinion; I do not claim any authority to speak on behalf of the Irish people."

The Prime Minister: "Are we to allow intimidation, murder and outrage to go on in Ireland without taking any measures at all—executive measures, if necessary—to protect the agents of the Crown, merely because one member, however distinguished in this House, has an opinion for which he cannot quote a single tittle of evidence from Ireland? I will go further than that. My right hon. friend said he would give Dominion Home Rule. Would he? Dominion Home Rule involves an Army and a Navy."

Major Mackenzie Wood: "Not necessarily."

The Prime Minister: "Yes, necessarily. . . . Would my right hon. friend give them the power to set up an Army and a Navy in Ireland? . . . Take the question of the ports [in Ireland]. We know perfectly well that those ports are the most dangerous spots in the British Empire—and I speak with some knowledge. Are those ports to be handed

over to a Dominion Parliament ? ” When Mr. Asquith talked about self-determination, the Premier continued, he did not mean it. Why should he use phrases of that kind when the situation was so full of explosive material ? Dominion Home Rule was not intended, and yet the phrase would go through Ireland on the authority of Mr. Asquith.

A State of War.

It was said by Mr. Asquith that the proposed courts were the sort which would be set up if they were for the defence of the Realm. Was not the measure intended for the defence of the Realm ? The military business started in Ireland itself. There was now something which called itself an Irish Republican Army. They declared that they were at war with the British Empire. They could not complain, if they declared a state of war in Ireland, when the conditions of war had been applied. Mr. Asquith said the powers taken under the Bill would not achieve their purpose. “ What is it,” asked Mr. Lloyd George, “ that makes law obeyed, apart from the will of the people ? It is the certainty of punishment. In Ireland you have substituted for certainty of punishment certainty of immunity from punishment. Under those conditions, apart altogether from the public sentiment in Ireland, you have got a sense that the criminal can always escape, and reckless men count on that. I do not say that you could substitute the certainty of punishment, but at any rate you could do something which is between the certainty of punishment and the certainty of escape, and you could always put a doubt in the mind of the criminal whether he will escape.”

Rejection Moved.

The Right Hon. J. R. Clynes (Vice-Chairman of the Parliamentary Labour Party) moved the rejection of the Bill. He said the Prime Minister had declared that he was prepared to deal with the Irish question and settle it within two limitations. One of them was “ No Republic,” and the other was “ No coercion of Ulster.” Within those two limitations was it not possible to have Dominion Home Rule ? An overwhelming body of Irish opinion could be stimulated and built up that would find full satisfaction in a form of Dominion Home Rule even within those limitations. The Labour Party demanded that the Irish policy of the Government should be definitely formulated in a manner which would make it intelligible to the Irish people, and induce them to begin to trust the word of a British Prime Minister.

The Labour Party had no sympathy with murder, but they could properly have sympathy with the victims of

British rule in Ireland, while feeling the deepest detestation for the criminals and crimes which were the subject of discussion. It was said that the Bill would strengthen the law, but the stronger the law was made by militarism and the suppression of liberty, the more extensive would crime become, and the more easy would it be for criminals to escape. "Law fails in Ireland," the right hon. gentleman remarked, "not because it is weak, but because it is regarded as an alien law. . . . Until you have enabled the Irish people to make their own laws—however badly they may do it—you will get no settlement of this unhappy and lasting trouble."

The Right Hon. Lord Hugh Cecil (*Coalition Unionist, Oxford University*) urged that there should be a free discussion of the Irish question in a Constituent Assembly. If that Assembly could not draw up an efficient scheme of Irish Government, no Irish Parliament would ever be able to work under any scheme that could be set up.

Blaming the Government.

Mr. J. Devlin* (*Nationalist, Belfast, Falls*) ascribed the condition of Ireland to-day to the campaign of repression which, he said, had been carried out by the Government during the last two and a half years. If blood had been shed in Ireland, if passions had been let loose, if outrages had taken place, the responsibility rested upon the shoulders of the Government alone. The Bill of 1914 was placed on the Statute Book. There would have been no rebellion and none of the terrible incidents they all deplored if the will of Parliament had been allowed to operate. "I say that the reason you have trouble in Ireland to-day is because Ireland does not trust you. . . . Nobody believes any British statesman in regard to Ireland, and that is why nobody will deal with you until you place on the table some real, clear, definite solution of this problem."

At the end of the War, he continued, when the whole world was looking for some real and genuine solution of the Irish problem, they were told that the only thing the authors of the policy of self-determination had to offer was the worst and most iniquitous Coercion Bill ever imposed upon any people. "You can only root out this Irish disease, which eats at the heart of your Empire, by giving to Ireland that broad measure of self-government in all its unquestionable form, which, I believe, will satisfy the Irish people," added Mr. Devlin.

* In the course of the debate Mr. Devlin was suspended from the service of the House for disregarding the authority of the Chair.

On a division the amendment was negatived by 289 votes against 71, and the Bill was read a second time.

The Bill was considered in Committee on 6th August, and passed through this stage without the adoption of any amendments, except minor alterations proposed by the Government. The Third Reading was afterwards carried by 206 votes against 18.

DEBATE IN HOUSE OF LORDS.

The Bill was debated in the House of Lords on 9th August, when

The Lord Chancellor (Lord Birkenhead), in moving the Second Reading, explained the proposals of the Government.

After the noble and learned Lord had resumed his seat, a Privy Councillor, who was standing on the steps of the Throne, said: "If you pass this Bill you may kill England, not Ireland." The interruption was greeted by their Lordships with cries of "Order, order."*

Lord Morris, criticising the Bill, said he could conceive of nothing more vicious and nothing more likely to perpetuate the troubles they were now suffering from in connection with the Government of Ireland. His view was that once the treaty made between Redmond and the Government was broken there was born the present trouble in Ireland. He believed that Ireland to-day, even with all its troubles and difficulties, might be united if a generous and full measure of Home Rule were offered by those responsible for the Government. The present measure was *ex post facto* legislation. They had no right to pass a law to punish a person for an offence by a procedure that did not exist when that offence was committed.

The Earl of Midleton said there had been two Governments in Ireland for many months—a legal Government which talked, and an illegal Government which acted. Many of the most loyal members of the population in the South and West of Ireland felt that if such a measure as this, which must provoke an immense amount of feeling, was going to be used spasmodically and temporarily, their case, and the peace of the country, would be worse hereafter than it had been before. The measure could only do good if it was worked unflinchingly and without fear of consequences.

* On 16th August, the House, on the motion of Earl Curzon of Kedleston, resolved: "That the Right Hon. Alexander Montgomery Carlisle, having abused his privilege of being admitted to the steps of the Throne by disorderly conduct on 9th August, 1920, should be debarred from the exercise of that privilege in future."

The Lord Chancellor said the situation in Ireland would justify almost any proposals of that character.

The Bill was read a second time, and, thereafter, was passed through the remaining stages without further comment.

DOMINION OF IRELAND BILL.

In the House of Lords on 22nd June, Lord Monteagle of Brandon introduced the Dominion of Ireland Bill, which was formally read a first time. The object of the measure was described in the following memorandum :—

The intention of this Bill is to grant a Constitution to Ireland enabling that country to attain the position of a self-governing Dominion of the Crown, and to have the same freedom, save for a few exceptions, in the management of internal affairs as the other self-governing Dominions of the Empire.

The Constitution of the Dominion is to be framed by the Irish people themselves. It is proposed that as soon as this Act is passed the Irish Constituent Assembly shall be summoned. This Assembly is to be composed of elected representatives from all parts of Ireland, elected according to the schedule to this Bill, which schedule adopts the system of proportional representation.

The Assembly is to manage its own procedure, and its duty is to frame a Constitution for the Dominion of Ireland.

The Constitution which may be devised by the Assembly is only limited as follows :—

The supreme executive or legislative power remains vested in His Majesty, acting through the Lord Lieutenant.

In addition, the following matters are outside the scope of the new Constitution :—

1. The Crown.
2. The making of peace and war.
3. The Navy, Army and Air Force.
4. Treaties, except commercial treaties.

As regards the forces of the Crown, only those which are necessary to be in Ireland for the defence of that country from foreign Powers are to remain in Ireland. The remainder are to be withdrawn.

Besides that, the Irish Government will have power to raise a territorial force for employment in Ireland which will not, except with the consent of Ireland, be under the control of the British War Office.

As soon as the Assembly has framed the Constitution of the Dominion and has reported, the Assembly comes to an end, and within a year the new Constitution for Ireland is to be set up.

There is a clause enabling the Ulster counties to vote themselves out of the new Constitution, with provision for taking a fresh vote after an interval of five years so long as those parts remain outside the Constitution.

DEBATE IN HOUSE OF LORDS.

On 1st July the Bill came on for Second Reading in the House of Lords.

Lord Monteagle of Brandon said that to his mind nothing short of complete control over Irish affairs, including all taxation, could have a chance of being accepted by the Irish people. The dearest wish of his heart was to keep Ireland as a willing member within what General Smuts had called "the British Commonwealth of Free Nations." He believed that was possible on a Dominion basis, but on nothing short of it.

The Earl of Dunraven, in moving that the Bill be read this day six months, said he desired to see Ireland under one Government and one Parliament, but he did not see how that was to be achieved under this measure. So far from effecting a settlement, the Bill simply invited difficulties by placing Ireland in a position which was not natural to her. After all, the Dominion status had been arrived at by natural development from the position of small colonies. Ireland never was a colony, was not a colony, and never could be a colony. Ireland was a kingdom, ought to have remained a kingdom, and to his mind should be a kingdom. "What my noble friend is offering Ireland," said Lord Dunraven, "is not Dominion status, but Dominion status minus a great deal, because he knows that we cannot deliver the real goods. He is not offering Ireland a genuine article, but a sort of shoddy Dominion status, and it will not satisfy her."

Support for the Bill.

The Marquis of Crewe stated that he found himself in general agreement with many of the proposals of Lord Monteagle. The whole House would agree that there could be no question of considering in any circumstances the establishment of a Republic in Ireland. It was absolutely necessary, therefore, that Imperial defence should be one of the matters reserved for the Imperial Government, and that foreign affairs should even more be so reserved. Lord Dunraven had stated that to profess to confer Dominion status upon Ireland was almost a farce if defence were withheld. It did not seem to him, however, sensible to argue (supposing there was any question of a Dominion being accepted by Ireland at all) that certain differences of treatment consequent upon the fact that Ireland was, so to speak, within a stone's throw of Great Britain, whereas the other self-governing Dominions happened to be thousands of miles away, would prevent her acceptance

because she would not be exactly like Canada or New Zealand in all respects. He suggested that in view of the fact that the Government's Bill would be before that House soon after they met in the autumn the discussion of the present measure should be adjourned without prejudice to taking it up again, possibly before or possibly after the concrete proposals of His Majesty's Government had reached them.

Viscount Haldane remarked that Lord Monteagle's proposals were very well worth considering. He moved the adjournment of the debate so that it might be resumed when the Government's Bill came under discussion.

The Lord Chancellor (Lord Birkenhead) entered a strong protest against pursuing this course.

The motion to adjourn the debate was negatived by 41 votes against 28.

Objectionable Proposals.

In the course of further discussion on the amendment moved by Lord Dunraven,

The Lord Chancellor remarked that the scheme of Lord Monteagle contained many grave and objectionable proposals. "It expressly abrogates," he said, "the supremacy of the United Kingdom Parliament, especially in relation to foreign affairs. It empowers the Irish Government to enter into independent commercial Treaties with foreign countries, and makes provision for the representation of Ireland on Imperial Councils and in the League of Nations. We have only to cast our eyes round Ireland to-day and see what is going on there, and ask whether anybody can come forward who retains any reputation for responsibility and say that powers such as these shall be given at this time of all others to an Ireland constituted as we know Ireland to-day."

Whatever other measure could be recommended at this time, he was sure that the one for which Lord Monteagle had asked a Second Reading could not be.

The amendment was agreed to without a division and accordingly the Bill was rejected.

UNEMPLOYMENT INSURANCE ACT.

The Royal Assent was given on 9th August to the Unemployment Insurance Act, which extends unemployment insurance on a contributory basis to substantially all employed persons, *i.e.*, to persons who are contributors under the National Health Insurance Scheme.

The Act provides that all persons of the age of 16 and upwards employed under a contract of service shall be insured. There are, however, a number of excepted employments, including the following :—

Agriculture, including horticulture and forestry.

Domestic service (except where the employment is in a trade or business carried on for the purposes of gain).

Service in the Navy, Army, or Air Force.*

Employment under a public authority, in a police force, and in the service of a railway company or a statutory undertaking.

Teachers entitled to superannuation rights and certain other classes of teachers.

Employment otherwise than by way of manual labour at a rate of remuneration exceeding £250 per year.

Casual employment otherwise than for the purposes of an employer's trade or business.

The Minister of Labour may, by Order, extend the scheme to any excepted employment.

Employers who fail to pay insurance contributions in respect of insurable persons in their employment render themselves liable to penalties.

CONTRIBUTIONS.

Contributions, collected by means of special insurance stamps, to be affixed by the employer to the unemployment book, are as follows :—

EMPLOYERS.

For each calendar week (commencing Monday) in which there has been any insurable employment—

Men of the age of 18 or upwards	8d.
Women of the age of 18 or upwards	6½d.
Boys of the age of 16 and under the age of 18 ..	4d.
Girls of the age of 16 and under the age of 18 ..	3½d.

Where a person is employed by more than one employer in the same week, the first employer during the week is liable to pay the contribution due for that week. In such cases the employers concerned may enter into a group agreement for the purpose of sharing the liability.

DEDUCTIONS FROM WAGES.

After affixing an insurance stamp to the Unemployment Book the employer is entitled (unless the employed person receives no wages or other money payment in return for his services) to recover a part of the value of such stamps by deductions from wages in accordance with the following table :—

Men of the age of 18 and upwards	4d.
Women of the age of 18 and upwards	3d.
Boys of the age of 16 and under the age of 18 ..	2d.
Girls of the age of 16 and under the age of 18 ..	1½d.

These deductions can only be made from wages paid in respect of the period of employment for which the contribution was paid. If contributions are not paid at the proper time the employer forfeits his right to recover the employee's share by deduction from wages.

* Special provision is however made for discharged seamen, marines, soldiers, and airmen under Clause 41 (i). See page 632.

STATE CONTRIBUTIONS.

The State contributes an additional sum as follows :—

For each man's contribution	..	..	..	2d.
For each woman's contribution	..	..	..	1½d.
For each boy's contribution	..	..	..	1½d.
For each girl's contribution	..	..	..	1d.

Benefit is paid at the rate of 15s. a week for men, 12s. a week for women, 7s. 6d. a week for boys, and 6s. a week for girls. No benefit is paid for the first three days of a period of unemployment. Benefit is not payable for more than 15 weeks in any "insurance year," or for more than one week for every six contributions standing to the credit of the employed person.

CONDITIONS OF BENEFIT.

The conditions for the receipt of benefit by an insured contributor are :—

(1) That he proves that not less than 12 contributions have been paid in respect of him.

(2) That he has made application for unemployed benefit in the prescribed manner and proves that since the date of the application he has been continuously unemployed.

(3) That he is capable of and available for work, but unable to obtain suitable employment.

(4) That he has not exhausted his right to unemployment benefit.

(5) That if he has been required to attend an approved course of instruction, he proves that he duly attended.

The Act enumerates certain disqualifications for benefit, as follows :

(1) An insured contributor who has lost employment by reason of a stoppage of work which was due to a trade dispute at the factory, workshop, or other premises at which he was employed, is disqualified for receiving benefit so long as the stoppage of work continues, except in a case where he has, during the stoppage of work, become *bona fide* employed elsewhere in the occupation which he usually follows or has become regularly engaged in some other occupation.

(2) An insured contributor who loses employment through misconduct or who voluntarily leaves his employment without just cause is disqualified for receiving benefit for a period of six weeks, or such shorter period not being less than one week as may be determined, from the date when he lost employment.

(3) An insured contributor is disqualified from receiving benefit whilst he is an inmate of a prison or workhouse or other institution supported wholly or partly out of public funds, and whilst resident temporarily or permanently outside the United Kingdom.

(4) An insured contributor who pays no contributions throughout the whole of an insurance year (except by reason of sickness) is disqualified for receiving benefit until he has paid twelve further contributions.

(5) An insured contributor is disqualified for receiving benefit while he is in receipt of sickness or disablement benefit or disablement allowance under the National Health Insurance Acts, or while he is in receipt of an old age pension or benefit under a special scheme. Insurance will lapse in the case of a contributor in respect of whom no contributions have been paid during a period comprising five insurance years.

During the first twelve months of the operation of the scheme, benefit may be drawn up to a maximum of eight weeks as soon as four contributions have been paid (including contributions under the repealed Acts). Persons insured under the repealed Acts who have sufficient contributions to their credit will be entitled to more than eight weeks' benefit, subject to the limit of one week's benefit for every six contributions and fifteen weeks' benefit in one insurance year.

PAYMENT OF FARES.

If work at a distance is found through an Employment Exchange for an insured contributor who is entitled to benefit, a proportion of his travelling expenses for the purpose of taking up this work may be paid by the Minister of Labour out of the Unemployment Fund. This is additional to the existing arrangements under which the whole amount of the fare in such cases may be advanced by the Minister of Labour and subsequently recovered.

If it appears to the Minister of Labour that provision for insurance against unemployment in any industry could be better secured by a special scheme for that industry than by the general scheme, the Minister may approve a special scheme which will have statutory force. The main conditions governing the constitution of special schemes are that :—

(1) The scheme must cover all persons employed in the industry either throughout the country or over some defined area.

(2) The benefits, which may include payment for short time as well as unemployment benefit, must be on the whole not less favourable than those provided under the general scheme.

(3) The State contribution to a special scheme will be limited to an amount not exceeding three-tenths of the contribution the State would have made if the members had remained under the general scheme.

(4) The scheme will be administered not by the Ministry of Labour, but by a joint body of employers and employed in the industry specially set up for this purpose.

DEBATE IN HOUSE OF COMMONS.

The Bill was read a Second Time in the House of Commons on 25th February* and was referred to a Standing Committee. It was discussed by the House on Report at three sittings during July, and on the 19th of that month it was brought on for Third Reading, whereupon

The Right. Hon. J. R. Clynes (Vice-Chairman of the Parliamentary Labour Party) at once rose and moved the rejection of the measure. He complained that the Bill made no pretence of dealing with the prevention of unemployment, but proposed to deal only with the cure of it in the sense of reducing the distress of the workman when entirely deprived of his labour and his wages. Considering that the country and the House had come to the point of recognising the need of spending enormous sums of money to relieve a man when

* See JOURNAL, Vol. I., No. 2, page 285.

he was out of work, it was extraordinary that the Government declined to go to the length of trying so to organise their industries as to make unemployment altogether impossible. The cost to the contributors under the Bill would be in the neighbourhood of £12,000,000 a year. About that sum at least would have to be paid to support men and women during their periods of unemployment. That money would be better spent in, and indeed would be a very large contribution towards, dealing with the problem of so reorganising industry and repairing its present defects as to secure a continuity of work and therefore wipe out altogether the need for unemployment benefit.

The Bill purported to give unemployment benefit to a man who was out of work through no fault of his own. But the Government had failed to find language which would cover the state of that man who was in no way to blame for his idleness through a trade dispute, but was, indeed, victimised by it. He thought the Government might themselves have undertaken to find words to meet the condition of a man who was penalised by the quarrels of other people and was a helpless victim until that quarrel was concluded. Labour's objection to the principle of the Bill was that it called upon the workman to contribute to support himself during the time of his unemployment. "Our view is," said Mr. Clynes, "that conditions of idleness suffered by workmen, without cause so far as they are concerned, are conditions which should be covered by the industry itself, and we say that as workmen maintain the industry and by their labour and service provide for profits as well as for wages, during their period of unemployment the industry should maintain them until they are absorbed once more in some appropriate way."

The right hon. gentleman concluded by criticising the provisions inserted in the Bill during the Committee stage to permit friendly societies to take part in administering unemployment benefit. Nothing could be more lamentable than that a Statute should permit steps to be taken which would identify and locate individual workers as non-unionists.

Sympathy with Special Schemes.

The Minister of Labour (the Right Hon. Dr. T. J. Macnamara) claimed that the Bill was a great step forward in the policy of insurance against unemployment. It raised the number covered by insurance from about 4,000,000 to about 12,000,000, and the workpeople would pay rather under £6,000,000 into a fund out of which, it was estimated, they would receive £14,000,000 annually in benefit. The door was not closed to equalisation of benefit between men and women, because power

was taken to consider the question at any time after three years, if it appeared to be expedient to the Minister to do so. There were a number of well-organised industries which believed that they could deal more effectively by means of their own machinery with their own problems of unemployment. He must, of course, be satisfied that such proposals were fair and reasonable to the parties concerned, and that they were likely to be financially sound. Subject to that, he intended that any industry setting up a special scheme should be free as far as possible to work out its own salvation in the way which seemed to it to be best.

By an amendment made in Committee provision was made for the benefit of soldiers, sailors, and airmen serving in the regular Forces. He felt it was not right to allow men who had served with the Colours for long periods to be discharged from the Forces with the possibility that they would be unemployed and without provision for their unemployment. The Bill now provided that on discharge they would be credited, though not contributing during their service, with a sufficient number of contributions to entitle them to draw fifteen weeks' unemployment benefit if they required it. He did not suppose that the Bill was the last word on a problem so closely touching the fortunes of the State and the well-being of the industrial community. But he was satisfied that it was a measure which deserved to receive the co-operation and support of all interests.

Mr. T. Thomson (*Independent Liberal, Middlesbrough*) said the Committee which was inquiring into the question of Labour Exchanges would be unanimous as to the tremendous importance of the unemployment problem. The Bill was inadequate in some respects, but, in view of the urgency of the problem, half a loaf was better than no bread, and with all its defects the measure provided the groundwork for future extensions.

On a division the amendment was negatived by 209 votes against 32 and the Bill was read a third time.

The Bill passed through the House of Lords without substantial alteration.

MINING INDUSTRY ACT.

A summary of the provisions of the Ministry of Mines Bill and of the Second Reading debate on the measure in the House of Commons was given in the last number of the JOURNAL.* The Bill was referred to a Standing Committee, and again came before the House on Report on 29th July.

* See JOURNAL, Vol. I., No. 3, page 454. See also page 636 of the present JOURNAL.

DEBATE IN HOUSE OF COMMONS.

On the clause enabling the Minister of Mines to appoint a staff and sanctioning expenditure on the Ministry not exceeding £250,000 in any one year,

The Right Hon. Lord Robert Cecil (*Independent Unionist, Hitchin*) moved to omit the clause. He asked why on earth should they have an elaborate new Department constituted for that industry. The true line of advance was not to create new Ministries and Departments, but to group those already existing under bigger chiefs, who would keep them together.

Sir R. Cooper (*National Party, Walsall*), in seconding the amendment, urged the necessity of forcing the Government to reduce the excessive expenditure which their policy and system of administration was casting upon the taxpayers.

The President of the Board of Trade (*the Right Hon. Sir Robert Horne*) denied that the Bill would be a cause of extravagance. As a matter of fact, he believed that economies would be effected by collecting all Departments which at present looked after the management of the coal industry under one Ministry. The worst way to run any business was to have bits of the staff in different places doing different things.

The Right Hon. Sir Donald Maclean (*Chairman of the Independent Liberal Party in Parliament*) said there could be no doubt that the formation of such a Department was a real necessity.

After further discussion, Lord R. Cecil withdrew his amendment.

Co-Partnership.

On the clause dealing with the constitution and function of Area Boards,

Mr. T. A. Lewis (*Coalition Liberal, Pontypridd*) moved that, in addition to the duties provided for in the Bill, the Area Boards should formulate schemes in suitable cases for establishing systems of co-partnership, or profit-sharing, between employers and employed. He said that so far as he could see co-partnership was the only system that would bring about an increased output of coal. Moreover, they would not secure peace in the coal industry until the miners felt they were getting their due and proportionate share of the fruits of their labours. They must become partners in the industry, and not hirelings, as they were at present.

Lord Robert Cecil said that in his judgment they could not afford to go on indefinitely with the present organisation

in industry. He was certain it was breaking down in all directions, and the only possible solution was to raise the status of the employee from that of a wage-earner to that of a partner. It was true that in some cases co-partnership had failed, but with a new plan of that kind one success was of greater importance than twenty failures.

The President of the Board of Trade said that Lord Robert Cecil seemed to throw a reproach at the Government that it had not introduced some great comprehensive scheme of co-partnership.

Lord Robert Cecil : " Not compulsorily."

The President of the Board of Trade said it was plain that at present they had not converted the great body of the people to schemes of profit-sharing or co-partnership. " I say it with regret," Sir Robert observed, " but with my experience as Minister of Labour for something over a year I can speak with knowledge on the matter. I am certain you have to do a great deal of education before you will begin to make the great part of our industrial population believe in systems of co-partnership, and you have a very strong impediment in the great trade unions. You would have to persuade them before you could make any advance at all." The right hon. gentleman added that, without the amendment, it would be perfectly open to any Area Board which regarded a scheme of co-partnership as feasible to propose it to the National Board.

After other speeches, the amendment was withdrawn.

Third Reading.

On the order for the Third Reading of the Bill,

The Right Hon. W. Brace (Labour, Abertillery), in moving the rejection of the measure, said its provisions were not altogether bad. The mining community had advocated the establishment of a Ministry of Mines for as long as he could remember, and the creation of a Research Department was also deserving of support. But Labour representatives were convinced that the Bill could not be worked. After years of effort and agitation they had brought the Miners' Federation to a standard of national responsibility, so that they were now able to arrange and settle their wages questions upon a national basis. But if they accepted the Bill, instead of being a united people, they would divide themselves into at least five different area sections. It was because they could not work the Bill that he moved its rejection.

The President of the Board of Trade said the importance of the coal industry was such that it deserved special consideration and treatment. For the first time in any industrial

legislation in this country the Government had given the workmen the opportunity of knowing what was happening in the industry, and what its profits and proceeds were, in order that they might understand the vicissitudes with which the employers were faced, and realise from time to time why it was that a particular thing they demanded could not readily be given to them. On the other hand, the employer was under the knowledge that all the facts had been placed before the workmen, and that he could no longer, if he did so before, decoy them with stories which did not quite fit the facts. More than that, recommendations which could be made by employers and workmen could now be put into force. If the Bill was given a fair chance, he was confident that it would operate with the greatest possible success.

On a division the amendment to reject the Bill was negatived by 129 votes against 35. Thereafter the Third Reading was agreed to.

DEBATE IN HOUSE OF LORDS.

The Bill was the subject of a debate on Second Reading in the House of Lords on 3rd August.

The Under-Secretary of State for War (Viscount Peel), on behalf of the Government, explained the objects of the measure.

Lord Gainford said that, speaking for the coal trade, he was authorised to say that there was very little in these elaborate bureaucratic provisions which recommended them as a whole to the industry. It was only when the industry was unhampered by State control that it was carried on efficiently and to the general satisfaction of the community. Pit committees had been voluntarily established already in many districts, and in some had worked well. They had conciliation boards by which to-day they were adjusting wages in the localities according to the different circumstances which arose, and, so far as he knew, cordial relations existed in the various districts between the owners and their men. It was proposed by the Bill to establish that machinery compulsorily, though he believed that voluntary arrangements between employers and employed were far better than compulsion by the State for promotion of harmonious working. The coalowners would have difficulties under the Bill, but they intended to do their part and work its provisions honourably.

The Marquis of Salisbury did not think there was a very large body of opinion left in the country that was not impatient of the system of State control, necessarily imposed during the War, but prolonged after the War in a manner

which most of them profoundly regretted. He welcomed the spirit of that part of the Bill which provided for joint committees of employers and employed to share in the management of the industry. Industrial peace could only be restored by a system of partnership between all those who were interested in an industry—employers and employed—so that it might be successfully carried out by their joint endeavours. He regretted, however, that the machinery of the Bill was so elaborate.

The Bill was read a second time without a division.

A Change of Title.

Their Lordships considered the Bill in Committee on 4th and 5th August, with the result that it was amended in various respects. On the motion of the Marquis of Salisbury, it was decided, by 28 votes against 23, to delete the power given in the Bill to appoint a Minister of Mines, and to provide merely for the appointment of an additional Parliamentary Secretary of the Board of Trade. On the Report stage, taken on 10th August, Viscount Peel moved to reverse the decision come to in Committee, but their Lordships resolved by 48 votes against 23 to persist in this alteration in the Bill. A number of consequential amendments were accordingly made, and the title of the measure was changed from the Ministry of Mines Bill to the Mining Industry Bill.

The House of Commons subsequently accepted the amendment with regard to the substitution of a Department of Mines for a Ministry of Mines, and also other proposals of the House of Lords. In its modified form the measure, under the title of the Mining Industry Act, received the Royal Assent on 16th August.

MINISTRY OF TRANSPORT.

On 1st July the House of Commons went into Committee of Supply and discussed a Vote of £848,642 for the Ministry of Transport. A White Paper had previously been issued containing an outline of the Government's proposals as to the future organisation of transport undertakings in Great Britain and their relation to the State. The following are some of the points in the scheme :—

It is proposed that the railways of Great Britain should be formed into a limited number of groups, say, five or six for England and Wales and one for Scotland. The groups will be determined on the basis of

operating economy, and all direct competition between the groups will, as far as possible, be eliminated.

It is hoped that the amalgamation of companies in the respective groups will be carried out voluntarily ; but as the scheme depends on the amalgamations, powers will be sought in a future Transport Bill to compel amalgamations (on terms, failing agreement, to be settled by some tribunal), in any cases where they are not voluntarily completed in a reasonable time to be specified. It would be open to the new group companies to exchange between themselves lines which project from the territory of one group into that of another, and at a later stage it may become necessary to require them to do so.

The Board of Management of each of the grouped railways should, in the opinion of the Government, be composed of representatives :—

(A) of the shareholders, who should form a majority on the Board, and of whom a proportion should hold large trading interests ; and

(B) of employees, of whom one-third might be leading administrative officials of the group, to be co-opted by the rest of the Board, and two-thirds members elected from and by the workers on the railway.

The Act of Parliament should lay it down that rates and fares shall be fixed at such a level as, with efficient and economical management, will in the opinion of a prescribed authority enable railway companies to earn a net revenue substantially equivalent, on some pre-war basis to be settled in the Act, to the combined net revenue of all the companies absorbed in the group. With due care and economy it should be possible for group companies to improve on their pre-war return : but, in that event, the Government is of opinion that such surplus revenues should not accrue entirely to the companies. The State would be very materially extending the "charter" of the companies and is entitled to participate in such surplus revenues, and settlement of a suitable sliding scale to regulate their division presents no insuperable difficulty.

Rights of the State.

The State would have the right to require adequate services and adequate facilities, including minor extensions in the geographical area which it is proposed to allot to each group company. A group company should, however, have a right of appeal to a tribunal to be prescribed if it contends that the requirement involves a capital expenditure which would seriously interfere with its finances.

Subject to the same right of appeal, the State should have power to require alterations, improvements, and additions necessary for public safety.

In order to obtain the best standards of permanent way, rolling stock, plant, and equipment which are necessary to secure the financial returns to the groups and yet keep railway rates as low as possible, the State must, subject to a similar right of appeal by the companies, have the power to impose such standards.

The State ought to have the right to require co-operative working, including granting of running powers, common user of rolling stock and facilities on equitable terms, the pooling of traffic and receipts where competition is causing waste, and the common user of workshop and manufacturing plant.

In order that the public may know, and the Government be in a position to judge of the working of the railways, the Ministry should have full power to prescribe the form of accounts, to regulate the manner in which they are compiled, and to require the compilation of such statistics and returns as are in the opinion of the Minister necessary, with a right of inspection.

The railways should be required to submit for approval their proposals involving capital expenditure and also their plans for raising capital required.

It is necessary in view of the fact that the State is to provide machinery for adjusting rates intended to produce a certain net result, that the State should approve, and, if necessary, have power to require, adequate reserves for depreciation and renewals to be made before dividends are issued. This again should be subject to a right of appeal to the prescribed tribunal.

It is proposed to exclude light railways from the grouping arrangements.

DEBATE IN HOUSE OF COMMONS.

Discussion on the Vote in Committee of Supply was confined to questions relating to the administrative work of the Ministry, and the above proposals, involving future legislation, did not come under review.

The Parliamentary Secretary to the Ministry of Transport (Mr. Arthur Neal) replied to criticisms which had been levelled against the Ministry. He said that there was before the War, not only in this country, but in others, an almost universal feeling that the subject of transport, particularly of railway transport, was ripe for action. The Transport Act was the deliberate creation of Parliament after the fullest consideration of the vast problem of trying to co-ordinate the transport agencies of this country and to bring them under proper control. Dealing with the measures adopted to relieve the taxpayers of subsidies on transport undertakings, the hon. gentleman said that passenger rates had been increased 50 per cent. and freight rates had gone up nearly 60 per cent. In Germany similar charges had been increased by 490 per cent.; in Austria by 390 per cent.; in Sweden by 200 per cent.; in Switzerland by 180 per cent.; and in France by 140 per cent. Therefore, the increase in England was a long way below that of other countries, and compared with their neighbours they might say that they were satisfactorily placed.

Had the Department justified its existence? Dealing with the finance section, the Select Committee on National Expenditure said, "It is entirely justifiable and the cost is not great." The traffic section had been doing a great work in the co-ordination of traffic and in dealing with individual problems as they had arisen. The Ministry had not control

of the railways in the sense of management, but it had inquired into over 2,500 specific complaints by traders with reference to delays. The way in which the railways had shown their resilience in coping with post-war problems was a credit to the commercial enterprise of the country.

Ministry Unjustified.

The Right Hon. H. H. Asquith (Leader of the Independent Liberal Party) said that in his judgment there was no justification for the creation of this gigantic Department. By a proper addition to the Railway Department of the Board of Trade everything that the Ministry of Transport had done might have been done at a measurably less cost to the public exchequer and the taxpayers. The Ministry was really not for the purpose of action, but for a totally different purpose. The philosophers of ancient Greece—and Aristotle in this matter agreed with Plato—were of opinion that the highest life, and the best exercise of the energies of man, was the life of contemplation. How they, in those ideal communities which they were fond of creating, would have rejoiced at the erection of the Ministry of Transport. The State-supported dreamer in the person of Sir Eric Geddes, with his ten or eleven Directors-General, all engaged in furious thinking! But this was a serious matter. Here were involved tens and hundreds of thousands of pounds of the taxpayers' money. He could find no justification whatsoever, in the financial and economic condition in which the country was placed, for that extravagant expenditure.

Sir James Remnant (Coalition Unionist, Holborn) moved to reduce the Vote by £100,000, stating that he did so because the country was clamouring for economy and would not stand much longer the extraordinary outburst on the part of spending Departments.

Co-ordination Required.

The Right Hon. J. H. Thomas (Labour, Derby) said that the Secretary of State for War, speaking at Dundee just before the General Election, had made it perfectly clear that the Government was committed to the nationalisation of the railways, but the White Paper rather showed that the Government did not intend to give effect to that policy. In his opinion it was necessary that there should be a co-ordinating authority for transport.

The Minister of Transport (the Right Hon. Sir Eric Geddes), dealing with some of the points raised in the course of a lengthy discussion, said there was nothing but sympathy with the coastal shipping industry, and it was the intention of the

Government, so far as it could, to fix the railway rates at a fair competitive rate with the sea. But while that was desirable, and while they should not have abnormally low rates on rail in competition with the sea, at the same time railway rates must not be put up merely to allow much higher freights to be charged on the sea for coastal shipping. Turning to the future of canals, the right hon. gentleman said that was a matter which would have to be considered carefully on present-day costs. He thought the best step in that direction had been the appointment of a Committee, with Mr. Neville Chamberlain as Chairman, to deal with the subject.

On a division the amendment to reduce the amount of the Vote was negatived by 206 against 48. The Vote was then agreed to.

Increase in Fares.

On 28th July announcement was made in the House of Commons of the decision of the Government on the report presented by the Rates Advisory Committee recommending an increase in railway fares.

The Leader of the House (the Right Hon. A. Bonar Law) explained that the Government notified the Committee that the railways were working at a deficit estimated at the rate of £54,500,000 a year. That deficit was largely due to the conclusion of the National Wages Board set up to consider the claims of the men, which reported on 3rd June, and other large increases—due to the price of coal, and increases of allowances under the sliding scale as the cost of living rose—which materialised between the 1st April and the 1st July as well as the continued increase in the cost of other materials and in local rates. The clearest possible intimation had been given to the House that the increased costs under those heads would have to be placed upon the railway fares, rates and charges at the earliest possible moment, the only alternative being a State subsidy at the expense of the general taxation. The pay bill of the railway companies in Great Britain had risen from £47,000,000 to £161,000,000. Coal and all other engineering works were costing about three times their pre-War figure, and steel rails and pig iron about four times; while the cost of living and every other index one could apply had risen out of all proportion to the proposed increase in rates.

“It was,” said Mr. Bonar Law, “in the face of these increases that the Cabinet had to consider whether there was any good and sufficient reason for declining to act on the advice given to them by the Committee, which has recommended that ordinary tickets should be increased by one-sixth above their present rates, equal to 75 per cent. above their

pre-War figure ; that a new scale, much less than half the ordinary fares, should be applied for the carriage of travellers to their work in the early morning who return after 5 o'clock in the evening ; that season tickets should be put on the level of 50 per cent. above their pre-War figure and that traders' tickets, which they consider unduly low, should be granted at 20 per cent. less than the ordinary season ticket. These recommendations the Government has decided to adopt, with effect from and including the 6th August, as recommended by the Committee." The right hon. gentleman added that an exception was made in the case of the new cheap early train fares which would be brought into operation as from 1st September.

A debate on the increase in fares took place in the House of Commons on 29th July.

MINISTRY OF HEALTH BILL.

On 16th August the Minister of Health (the Right Hon. Dr. Addison) formally introduced in the House of Commons a Bill to deal with various matters connected with housing, public health, and the machinery of local government administration.

The Bill gives power to a local authority to hire compulsorily houses suitable for the housing of the working classes which have been withheld from occupation for a period of at least three months.

The period during which subsidies may be paid to persons constructing houses is extended for a further 12 months. No further charge on the Exchequer is involved.

The Appeal Tribunal, which hears appeals from orders prohibiting luxury building, is enabled to sit in more than one division, and thus to accelerate the hearing of appeals. The Minister of Health is given power to take action for the purpose of checking luxury building in certain cases which are not covered by the existing law.

There is a clause designed to facilitate the carrying out of housing schemes promoted by a local authority outside its own area. For this purpose, agreements can be made between the local authorities concerned for the execution of works incidental to the scheme and for the consequential financial adjustments.

The provisions of the Housing (Additional Powers) Act, 1919, are extended for the purpose of assisting county councils in financing the housing schemes of local authorities in their area.

A general power is given to local authorities, with the approval of the Minister, to provide housing accommodation for their employees.

PAYMENT OF COUNCILLORS.

Provision is made for the payment of expenses in connection with meetings and conferences of associations of local authorities. Subject to

certain safeguards, the Bill authorises also the payment of travelling expenses and subsistence allowances to members attending meetings of a local authority. Similar payments are already authorised in the case of various statutory bodies, including local education authorities.

A local authority is authorised, with the approval of the Minister, to contribute to the expenses of any local Savings Committee in its area.

There is a clause enabling persons suffering from incipient mental disorder but not certified under the Lunacy Acts, to be received, with their own consent, in institutions approved by the Minister for a period not exceeding six months, without exposing the persons receiving them to possible penalties under the Lunacy Acts.

It is proposed to continue the power of prohibiting the sale of clinical thermometers which have not been properly tested.

A local authority is enabled, with the sanction of the Minister, to permit any buildings belonging to it to be used by any Government Department or other local authority, *e.g.*, as a hospital for disabled soldiers.

It is proposed to amend the law so as to prohibit local authorities from providing accommodation for post-mortem examinations in the same building as a mortuary.

MAINTENANCE OF HOSPITALS.

The Bill proposes to give the following powers to the council of a county, and the council of a county borough :—

(A) To supply and maintain hospitals (including out-patient departments) for the treatment of illnesses and diseases generally, or for the treatment of any particular illness or disease.

(B) To contribute, on such terms and conditions as may be approved by the Minister, to any voluntary hospitals or similar institutions within their area.

(C) To undertake the maintenance of any Poor Law hospitals or infirmaries within their area.

(D) To establish and maintain, or contribute towards the cost of or otherwise aid in establishing or maintaining, an ambulance service for dealing with cases of accident or illness within their area.

It is further provided that the expenses of a council in thus providing hospitals and ambulances shall be defrayed in the case of the council of a county as expenses for general county purposes, and in the case of the council of a county borough as expenses incurred in the administration of the Public Health Acts, 1875 and 1908. Power is also given to a council to borrow, with the approval of the Minister of Health, any sums required for the purpose.

The councils of two or more counties may, with the consent of the Minister, combine with the object of supplying and maintaining hospitals.

The provision of the Public Health Act, 1875, giving power to recover the cost of maintenance in hospital of a person who is not a pauper, is to apply to any patient who has received treatment in a hospital maintained by a county council.

A formal First Reading was given to the Bill and it will be taken through its other stages during the autumn portion of the Session.

FIREARMS ACT.

On 16th August the Royal Assent was given to the Firearms Act, which was introduced by the Government in the House of Lords and was the subject of debates in both Houses.

The Act provides that no person may purchase, have in his possession, use, or carry any firearm or ammunition unless he holds a firearm certificate granted by the police ; and no one may sell firearms or ammunition except to a person holding such a certificate, or to a registered dealer. The fee for a certificate if the applicant already possesses the firearm is 2s. 6d. ; in other cases, 5s. The certificate is valid for three years. Gun and game licences will still be required as at present.

No person may manufacture, sell, repair, test, or prove firearms or ammunition, by way of trade or business, unless he is registered by the police as a firearms dealer. The fee for registration is £1.

"Firearm" means any lethal weapon from which a missile can be discharged, or any part of such weapon. "Ammunition" means ammunition for such firearms, and includes grenades, bombs, and other similar missiles, whether capable of use with a firearm or not, and ingredients and components thereof.

These provisions do not apply, in England, Wales, and Scotland, to smooth-bore shot guns and air guns. There are also certain exemptions, limited in their extent, for members of His Majesty's Forces, police, cadet corps, and rifle clubs, carriers, warehousemen, slaughterers using humane killers, and persons carrying on or using shooting galleries or miniature rifle ranges. If no ammunition is kept, a certificate is not necessary for antique firearms, nor if a dispensation is granted by the police, for firearms kept as war trophies.

DEBATE IN HOUSE OF COMMONS.

On 9th August the Bill was discussed in the House of Commons on Report after it had been before a Standing Committee. The provisions of the measure apply, with certain modifications, to Ireland.

Mr. J. M. Hogge (*Independent Liberal, Edinburgh, E.*) moved an amendment to exempt Ireland from the operations of the Act. He argued that the Government possessed all the powers they needed for the purpose of dealing with the disturbed state of Ireland under the Restoration of Order in Ireland Act.*

The Solicitor-General for Ireland (Mr. D. M. Wilson) said that if the Bill was necessary in England it was a hundred times more necessary in Ireland. In Ireland there were 300,000 or 400,000 people in possession of firearms, and they were organised and drilled. A certain percentage of them

* See page 617.

were committing assassinations and murders, and a still greater percentage were engaged every day and night in making attacks on patrols of police and on companies of soldiers. The possession of arms and ammunition and explosives was the fundamental condition which made these attacks and assassinations successful. One of the great advantages of the punishment proposed was that it might intimidate people from committing crime and induce them to give up their arms.

Lieutenant-Commander Kenworthy (Independent Liberal, Hull, Central) : " Are not all these powers already in force in Ireland, and is not the carrying of arms there already illegal ? "

The Solicitor-General for Ireland replied that the full provisions of the Bill had never been carried out by any Order under the Defence of the Realm Act. It was necessary that the Government should be in a position to defend the servants of the Crown.

The amendment was negatived, and the Third Reading of the Bill was afterwards moved.

The Home Secretary (the Right Hon. E. Shortt), replying to points raised in a brief discussion, said the last thing the Government intended was to bring discouragement to a single rifle club. It would be necessary for members to get permits to use their rifles and if any undesirable person belonged to a club it would be right that he should not receive a permit. As to Ireland, it was the intention of the Government to carry out the provisions of the measure as completely and as impartially as possible.

The Third Reading was then agreed to.

BLIND PERSONS ACT.

An Act to promote the welfare of blind persons received the Royal Assent on 16th August. Early in the Session a measure supported by members of all parties was introduced for the purpose of making better provision for the care of persons thus afflicted, but at a later stage the Government took the matter up itself and submitted proposals which, after a friendly examination in both Houses, were passed through Parliament.

OBLIGATIONS OF THE STATE.

The Act provides that every blind person who has attained the age of 50 shall be entitled to receive a pension on the same conditions as govern the grant of old age pensions to persons who have reached the age of 70.

Persons entitled to receive a pension at the age of 50 must be so blind as to be unable to perform any work for which eyesight is essential.

The duty is imposed upon county and county borough councils of making arrangements to the satisfaction of the Minister of Health for promoting the welfare of blind persons ordinarily resident within their area.

For that purpose councils may provide and maintain either within or without their areas, workshops, hostels, homes or other places for the reception of blind persons, or may contribute to maintenance of existing institutions.

Local education authorities are required to continue to make adequate provision for the technical education of blind persons who are capable of being benefited by it.

Charities for the blind are to be registered under the War Charities Act, 1916.

During the passage of the Bill it was stated on behalf of the Government that it was expected pensions would be available for 8,400 persons. The annual cost in England and Wales would be £170,000, and for the United Kingdom £220,000. In addition it was estimated that £50,000 would have to be found—one half by the Treasury and one half by the local authorities—for the provision of workshops, hostels, etc. Voluntary agencies, to whose usefulness tribute was paid, would, it was pointed out, be strengthened and their usefulness increased by collaboration with local authorities. The Government invited support for the Bill on the ground that it would afford a certain measure of relief and help to a section of the population to whom all human sympathy should be extended.

CANADA.

The Summary of the proceedings of the Fourth Session of the Thirteenth Parliament (which opened on 26th February and was adjourned on 1st July, 1920) is continued in this issue of the JOURNAL.

There remain a few important Acts passed by Parliament during this period which have not yet been dealt with. These will be summarised in the next issue of the JOURNAL.

BRITISH NORTH AMERICA ACT.

(Address to His Majesty the King.)

On 24th June the Minister of Justice moved the following resolution in the House of Commons :—

That a humble Address be presented to His Most Excellent Majesty the King in the following words :—

To the King's Most Excellent Majesty :

Most Gracious Sovereign :

We, Your Majesty's most dutiful and loyal subjects the . . . Commons of Canada, in Parliament assembled, humbly approach Your Majesty praying that you may graciously be pleased to give your consent to submit a measure to the Parliament of the United Kingdom, to amend the British North America Act, 1867, in the manner following, or to the following effect—

“ An Act to amend the British North America Act, 1867. Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same as follows :—

“ 1. Section ninety-one of the British North America Act, 1867, is hereby amended by adding thereto the following subsection—

“ 2. Any enactment of the Parliament of Canada otherwise within the legislative authority of the Parliament shall operate and be deemed to have operated extra-territorially according to its intention in the like manner and to the same extent as if enacted by the Parliament of the United Kingdom.”

All of which we humbly pray Your Majesty to take into your favourable and gracious consideration.

DEBATE IN HOUSE OF COMMONS.

The Minister of Justice (the Right Hon. C. J. Doherty) said : “ The entire purpose and effect of the legislation we are

asking to be enacted is to give an interpretation to the provisions of the British North America Act which will settle what is now a disputable or unsettled question. There is a jurisprudence and there are judgments which hold, or at all events are interpreted as holding, that there is something restricted in the effect of the legislation of the Parliaments of the Dominions as compared with the effect of legislation enacted by the Parliament of the United Kingdom and the effect which attaches to legislation enacted by them. The interpretation that we ask for is that it should be enacted that the legislation of this Parliament within the scope of its attributions—it is not suggested to extend them in any way—shall be deemed to operate extra-territorially according to its intention in like manner and to the same effect as if enacted by the Parliament of the United Kingdom. We are not seeking to encroach on the jurisdiction of the United Kingdom. . . .

“Now that effect goes no further than that such law shall be law in Canada; we do not pretend that it can be enforced in foreign countries. But we wish to make certain that the law imposing obligations upon the citizens of Canada to be carried out outside the limits of our own country we will be entitled to enforce in our courts whenever our citizens may return within this jurisdiction. That is precisely the power that attaches to the legislation of the Imperial Parliament. As I say, it is not at all a settled thing that it does not attach to our legislation. There are judgments which certainly justify the conclusion that it does; there are other judgments that justify the conclusion that it does not. In the absence of such settlement it would be necessary for us in each particular case to go to the United Kingdom to ask for jurisdiction.

“The particular matter that has brought this to our attention is the legislation which we may be called upon to enact and the regulations which it may be necessary to impose to govern Canadian aerial navigation. Any such legislation would necessarily have to deal with Canadian aerial navigators and the management of Canadian aircraft, and I think it is obvious that if doubt be suggested as to whether we can enforce those laws with regard to the operation of any Canadian aircraft the moment it gets outside the actual limits of Canada, we would be put in a very difficult position. Now, it seemed to us better to settle the question once for all.”

The Hon. W. S. Fielding (*Liberal, Shelburne and Queen's, N.S.*) asked for an illustration of what the Minister desired to control by this legislation.

The Minister of Justice replied that there were in process of preparation certain rules of aerial navigation, which it was expected, under conventions and treaties to be made, would govern the aircraft of all the different nations. Under those it

would be their obligation to see that their aircraft and those managing it conformed to the rules not only while they were actually within their country, but when they got in the air over the ocean or over some other country.

Mr. Fielding : " Up over Great Britain, for example ? "

The Minister of Justice replied in the affirmative, but said that this would not exclude the authority of any country in which their men might be. There was no pretension that their law would prevail in any other country, but if their citizen came under the operation of this law he would be bound in addition to conform to such obligations as they might impose upon him as a Canadian citizen. The effect of that would be that if they did want legislation imposing certain obligations upon their citizens while they were outside this country, when those citizens returned they would be in a position to enforce those laws within Canada. The only effect would be to remove any doubt as to whether there was a difference between the effect of a Dominion law in that respect and the law of any other country.

Mr. Fielding said that the question in his mind was, if a Canadian went to England and committed some offence against these laws they laid down in England, was he to be punished when he returned to Canada ?

The Minister of Justice : " If he has violated our laws which we have prescribed as a rule of conduct while he is outside of this country then when he returns he will be liable to such consequences as our legislation imposes."

Mr. Fielding : " Even though he has already been punished in England ? "

The Minister of Justice : " In that case I have no doubt that the rule against punishing a man twice for the same offence would apply."

This motion having been agreed to, a further motion was agreed to for sending a message to the Senate requesting their Honours to unite with the House of Commons in the Address.

DEBATE IN THE SENATE.

In moving that the Senate do unite with the House of Commons in the said Address, on 26th June,

The Leader of the Senate and Minister of Civil Re-establishment (Hon. Sir James Loughheed) said that the object of this was to secure Imperial legislation amending the British North America Act, whereby it would be placed beyond all controversy that the Dominion Government had authority to legislate extra-territorially. They were entering into arrangements, for instance, with the United States, to enforce regulations that

might be agreed upon between the two countries respecting aerial navigation. The United States, being a sovereign Power, could exercise jurisdiction extra-territorially to enforce regulations, and persons who violated those regulations outside the United States could be punished upon their return to United States territory. It would be unfortunate if they in Canada were precluded from enforcing their regulations likewise.

The Hon. H. Bostock (Leader of the Opposition) could not see why this legislation was necessary. It seemed to him that any citizen of Canada who went outside the Dominion and infringed the law of the country could be punished when he came back if the Government thought it desirable to punish him.

The Leader of the Senate: "Not if the offence has been committed outside of Canada."

Mr. Bostock: "The offender can be punished when he comes back. We cannot of course punish him if he is outside our jurisdiction."

The Leader of the Senate: "It is not absolutely clear that we have the right, for the constitutional reasons I have pointed out."

The motion was agreed to, and on a motion of Sir James Loughheed it was resolved that an Address be presented to His Excellency the Governor-General, respectfully requesting that His Excellency would be pleased to transmit the said Joint Address to His Majesty.

NAVAL DEFENCE OF THE EMPIRE.

On 28th June the House in Committee of Supply discussed the following item:—

The Naval Service—To provide for the maintenance of the Royal Canadian Navy, \$300,000.

Further amount required, \$5,700,000.

This debate continues the discussion (*vide* JOURNAL OF THE PARLIAMENTS OF THE EMPIRE, Vol. I., No. 3, page 486) following upon the statement of the Minister of Naval Service on Naval policy and the British Government's gift of ships to Canada.

DEBATE IN HOUSE OF COMMONS.

Mr. Michael Clark (Independent, Red Deer, Alta.) conceded that the Government had to take into their consideration the fact that they in Canada had wholeheartedly fought alongside the Old Land and other portions of the Empire through the great war; but there were other very weighty considerations which led him to express the opinion that

the Government had been shortsighted in accepting the offer of the British Government at this particular time. He thought they might very well have said to Lord Jellicoe and the Admiralty and the British Government: Well, we are meeting to discuss this matter with the representatives of the whole Empire at an Imperial Conference in 1921 and we refuse at this time to commit the country to what is a very large naval expenditure, which in the very nature of things will lead to much larger naval expenditures if history has anything to teach us upon this subject.

League of Nations.

The first item of policy which had any bearing on the question of armaments from his point of view was that the Old Country had entered heartily into the support of the League of Nations. If they were going to make the League of Nations a success, then he submitted to the Committee that they were not going to do that by following the old path of believing that war was eternal. He wished to pay a compliment to his hon. friend the President of the Privy Council (Mr. Rowell), who seemed to be the one member of the Government who in that country had devoted himself with wholeheartedness to making Canada's contribution to the League of Nations a real success. In Great Britain the world was distinguished in having Arthur J. Balfour, of almost unparalleled experience and ability in politics, Lord Grey, whose knowledge of foreign policy was not exceeded by anyone, Lord Robert Cecil, Lord Bryce, and numbers of others of little less calibre who were working might and main to make the League a success. He thought they would have spent their time better if they had voted a sum of money for bringing their own people up to the high mark of civilised thought upon this question, instead of devoting two and a half millions at almost the first Session of Parliament after the war was over for the buying or up-keep of vessels of warfare. If the war did anything it demonstrated the absolute fallacy of the old pagan doctrine that to prepare for war was the best way to maintain peace. If ever war could have been prevented by preparation for war then the last war surely would never have occurred. The war had demonstrated the further fact that a nation not warlike at the beginning of a war could be one of the most potent factors in the final stages of that war.

The Next War.

Against whom were they going to fight in the immediate future? The only suggestion he had heard was that they

might have a war between Japan and America. That could not possibly implicate the British Empire because Japan was their ally. They had so impoverished themselves that their difficulty now was not to supply huge armies abroad, but to feed the ordinary run of their population at home.

If the vessels were up to date at the present moment, they certainly would be obsolete in five years. He wondered if the Government had taken it into their consideration that some wise men from the military point of view were already prophesying that the next war would be in the air. If the next war would be in the air, it would seem rather a useless way of meeting it by making preparations in the old way for a war on the sea. They had better make their Air Board a reality instead of a name. What was the use of building navies if their fiscal policy drove them off the ocean? It was what it did to America and it was what it had done very largely to Canada.

Co-operative Defence.

He thought it would be a great mistake for statesmen from any part of the Empire, and especially from Canada, to go to the Conference committed to a view which he understood already dominated the mind of Lord Jellicoe, namely, that they should have a uniform system of naval defence throughout the Empire. Canada's position in that matter was very different from that of Australia. Australia, in the very nature of things, as long as war vessels were built must have far more importance in sea defence than Canada had. The war was won by the tremendous economic resources of the United States, which were brought to the aid of the British Navy and of the armies of the Allies. The lesson of that would surely be that, while Australia must have some naval defence, in Canada, if they were to continue this loose confederation, of which all the parts were free, known as the British Empire, they would do better possibly permanently to have a system of co-operation between different parts of the Empire. Let them re-establish their financial resources, and when they met in the Imperial Conference, whoever were the representatives of Canada would enter into all these weighty considerations and would work out a system of co-operative defence which would make the Empire bigger and abler to defend itself in the future than it was in this war.

Security.

The Prime Minister (the Right Hon. Sir Robert Borden) asked what advantage it was to a Government responsible in these matters to say that the next war might be fought in the

air and that, therefore, they would do nothing at the present time. Did his hon. friend know any one of those eminent statesmen who was prepared to abolish and scrap the British Navy under existing conditions? Did not he recognise that the security of the seas was essential to every part of their Empire and was just as essential to them as it was to Great Britain, or Australia, or New Zealand, or South Africa? He would like to inform him that when the League of Nations was being sanctioned in Paris no less than 18 or 19 different military campaigns were being carried on in Europe; a great many of them had been carried on since; and some of them were being carried on to-day. The Navy represented force, but when force had behind it the just purpose of maintaining order, of sustaining orderly government, of upholding justice among people in their dealings with each other, force was not to be despised or sneered at. He ventured to point out that the force embodied in the naval strength of Great Britain had never been provocative of war. On the contrary, he believed that the force typified by the naval strength of this Empire had on more than one occasion averted war. The naval estimate which the Minister of Naval Affairs had presented to the House was, under the circumstances, a very moderate one. It did not represent anything that could be regarded as a permanent policy. He himself took the ground years ago that a permanent naval policy in the sense in which he understood it should not be embarked upon in that country until the people had had an opportunity to pronounce upon it, and he held that opinion to-day just as strongly as he did before.

Policy of 1909.

The Hon. W. S. Fielding (*Liberal, Shelburne and Queen's, N.S.*) said that his creed on naval policy was expressed in the resolution, in the preparation of which he had some part, which was adopted unanimously by the House in the year 1909. That resolution set forth that the people of this country as they increased in wealth and population should undertake in larger measure than in times past to share the burdens of naval defence. The resolution went on further to declare that that good purpose could best be served by the establishing of a Canadian Navy, created and maintained in harmony and co-operation with the Imperial Naval authorities. The resolution further recognised the fact that in the maintenance of the great British Navy they had the best guarantee for the peace of the world. He was glad to know that in what the Minister of Naval Affairs was now proposing he was practically returning to the policy of that day; but some things had happened since 1909 and 1910.

He did not share the views of those who said that all wars were at an end, but surely it was not too much to say that now there was no probability of a war in which Canada would be concerned. Surely they in Canada could afford to take a breathing spell and wait to see what was being done. Another thing had happened since 1909 and 1910, and that was the formation of the League of Nations. They had a financial condition to-day which was so grave that the smallest application that was made to the Government now for some useful public service was turned down with the idea that they had not the money to pay it.

"Every Canadian," said Mr. Fielding, "must be proud of the good relations between Canada and the Mother Country. Every Englishman is proud of the part Canada took in the war. I am willing to believe that the offer of these ships was intended as a generous action on the part of the British Government. I do not think any harm would be done if the Government were to say to the British Government, 'We much appreciate what you have done and we would be glad enough to make use of your ships. There may come a time later on when we will want your ships but just at present we would rather not accept them because we have not yet decided on our future naval policy.'"

Protection of Ocean Routes.

The President of the Council (Hon. N. W. Rowell) declared that the League of Nations was not organised to put an end to existing wars, but to preserve the world's peace once peace had been established, and that peace had not so far been thoroughly established throughout the world. The British Empire consisted of a group of States or nations, widely spread, bound together by the oceans, the great highways of traffic of the world. There was only one way that they could maintain and control their system of water transportation that connected the various portions of the Empire, and that was by being in a position to police the high seas and protect their commerce against hostile attack. They must keep open the freight and passenger routes throughout the world in order that the various parts of the Empire might be kept in constant touch and free communication. Great Britain to-day was under a much heavier financial burden than they were. Were they going to say that they would not even protect their own coasts and shores under these conditions? He thought that was a humiliating position, which he, as a self-respecting Canadian, was not prepared to assume. With the country they possessed and the resources at their disposal, he would be ashamed of being a Canadian if they were to continue to impose upon the

Mother Country the duty of protecting their coasts and commerce.

Mr. S. W. Jacobs (*Unionist, Last Mountain, Sask.*) : " Who protected our eastern and western coasts during the recent war ? As I understand, the eastern coast was protected by the American Navy and the western coast by the Japanese Navy."

The President of the Council : " If the fact was that our coast was defended by the Americans on the east and the Japanese on the west, that would be an added reason why they should not leave themselves in that position any longer."

At the Imperial Conference, continued Mr. Rowell, two questions must be fully considered ; one was the extent to which Canada should undertake naval effort on her own account, the second was how could they best co-operate with the other portions of the Empire in naval defence. They must endorse the view presented by the Hon. Member for Red Deer that the question of naval defence of the British Empire should be a matter of co-operation between the different nations that composed the Empire.

" Much as we desire the success of the League of Nations," he concluded, " it will only be successful if the nations that want to see peace established throughout the world have at their command a force which the nations that do not believe in peace dare not challenge for the time being, and consequently will accept the decisions of the League without going to war. If that be so, Canada, as a member of that League, should have at her disposal a very moderate and very limited force."

Mr. F. Rinfret (*Liberal, St. James, Montreal*) declared that before the war some gentlemen contended that the British Navy needed reinforcements, and it was very urgent to add to its warships. Now it appeared, on the contrary, that the British Navy had a surplus of warships, and that she was well able to dispose of a few to her Colonies. Why was that ? Because the war had demonstrated that the supremacy of the British Navy was not challenged. But the war was now over ; the German Navy had been destroyed, and the German peril had disappeared. The countries of Europe were putting on one side all thoughts of militarism. They were now applying themselves to the work of reconstruction.

British Obligations.

The Minister of the Interior (*Hon. Arthur Meighen*) said that it was argued that the German menace had passed away. Nobody contended that it had not. But the obligation of the British Empire to protect the sea routes had not passed away. The obligations of Canada as an integral portion of the Empire to bear its decent share as a country had not passed

away. England had scuttled every ship she could and kept only those that she believed to be essential for the purpose of this Empire, including this Dominion. It was said she had more ships than she needed. So she had—and she had more obligations than she needed, too. If Britain maintained these ships to the extent of \$482,000,000, was it a tremendous burden on them to assume an obligation of \$2,000,000? “Is no country in this Empire,” asked Mr. Meighen, “is no nation in the world, to take a naval obligation upon itself until some war is immediately in sight? Is not the British fleet the main bulwark of the League of Nations at this hour?”

The Minister of Naval Service (Hon. C. C. Ballantyne) did not pretend to say that one modern cruiser, two torpedo-boat destroyers, and two submarines constituted very much of a naval defence for Canada. He thought it was altogether inadequate, and he would express the hope that after the Imperial Conference had been held, whoever the Minister of Marine at that time might be, he would come before the House with a very much larger vote than he was asking for at the present time.

After further discussion the item was agreed to.

MILITIA ESTIMATES.

On 16th June the Minister of Militia and Defence made a general statement on the motion for Committee of Supply regarding the Estimates submitted by his Department and the organisation of the Militia and permanent force of Canada.

DEBATE IN HOUSE OF COMMONS.

Expenditure.

The Minister of Militia and Acting Solicitor-General (Hon. Hugh Guthrie) stated that it had been a matter of some criticism during the present session that apparently the amount of the Militia Estimates submitted this year (\$12,500,000) was largely in excess of the amount submitted for the last fiscal year (\$8,369,000) and an argument had been based upon the comparison that the Government was entering upon a career of recklessness in regard to Militia expenditure. The truth was that all the sums of money expended last year which could be charged to War Appropriation were so charged, and the House knew that last year they appropriated \$300,000,000 as a War Appropriation. This year the War Appropriation for expenditures both in this country and

Great Britain, where they were winding up war matters, was about \$38,000,000.

The first item which showed an increase in this year's proposal was annual drill. The reorganisation of the Militia units had not proceeded sufficiently far to enable them to go ahead with the ordinary annual drill which would be confined to what were known as city corps who could train at their local headquarters. This year they proposed holding the ordinary cadet camps which did so much for the military service of this country in the years gone by. They had not established anything in the nature of compulsory military training; they gave them a plain course of physical instruction which improved the lad both in body and mind, if he never subsequently entered the Militia. But, as a matter of fact, that preliminary training had had a great deal to do with filling up their Militia units throughout the country.

A fair comparison would be what they proposed to spend this year, as a peace year, with what they spent in the year before the war, also a peace year. In 1913-14 the Estimates totalled \$10,917,000. The permanent force of Canada consisted of 2,906 men of all ranks. The permanent force which existed in Canada at this date consisted of exactly 3,555 men. Why should there be an increase shown in the vote if the establishment was about the same? The reason was that the cost of maintenance to-day was just about double what it was in those years. In the year 1910-11 a private in the permanent force received 50 cents a day, after three years 60 cents, and after six years 75 cents. The pay of a private in the expeditionary force was raised to \$1.10 a day. The new pay regulations provided that a private should receive \$1.70 a day.

Permanent Force.

In 1903 or 1904 Parliament authorised a permanent force to the extent of 5,000 men, but it was never recruited up to that strength. Last year the House of Commons agreed that the permanent force of Canada should be increased to 10,000. He knew that the Government had made public statements that the force would not be recruited beyond 5,000 men, or half of the total authorised. There was still room to recruit 1,445 more men before they reached the 5,000 limit. He was a little disappointed to see all over Canada the slowness with which recruiting for the permanent force was being done.

For the information of the House he would state what the whole permanent force establishment was. They had the Royal Canadian Horse Artillery stationed at Kingston, a very efficient force, which was used for the training of artillery

Militia units. That was the main purpose of the permanent force. They had only one more regular artillery branch in the Service, and that was the garrison artillery which was stationed at Halifax, Quebec, and on the Pacific Coast. In regard to infantry, they had the Royal Canadian Regiment, the Princess Patricia's Canadian Light Infantry, and a new regiment just formed for the purpose of perpetuating the heroic deeds of the men who formed the overseas regiment known as the 22nd. In cavalry they had two units, the Royal Canadian Dragoons and the Lord Strathcona Horse. In addition they had the Engineering Corps, the Army Service Corps, the Medical Corps, the Dental Corps, a corps of clerks engaged in the Pay Office and two other corps which they had not yet organised, the Signalling Corps and the Army Chaplain Corps. He had this advantage over all his predecessors in the office of Minister of Militia in that he was surrounded by the ablest and most experienced staff of men who were ever gathered together in Canada. He had on the staff, as the House was aware, as Inspector-General, General Sir Arthur Currie, undoubtedly the greatest soldier the country had ever produced.

The permanent force was their training force; it was their organising force. In Ottawa they had the headquarters for Canada, and in addition they had eleven military districts throughout Canada, in each of which they maintained a small staff and a small force of the permanent corps. These were the forces that came into direct contact with the militia units. These were the men who did the actual training, gave the actual instruction, and saw to the actual administration in militia matters generally.

Speaking generally, the war resulted in the complete disorganisation of the militia of Canada. A large part of the work at headquarters was to reorganise the militia and to do it as economically, fairly and expeditiously as under the circumstances it could be done.

Returned Officers.

They had a tremendous number of returned officers who were very capable men. Naturally they were not able to retain the services of more than a limited number of these excellent officers. In every single instance when an officer with overseas experience had applied for a position in the permanent force his case had been considered in the first instance by a board of selection composed of experienced officers, and if the name was passed by the Inspector-General and the Militia Council it was finally submitted to the Privy Council. There were 140 non-commissioned officers who had

obtained commissions when serving overseas. They employed all of that class that they could, but a number of them they had retired on pension. In Great Britain if they could not employ an officer they put him on half pay. They had no system of half pay in this country out of which to provide for officers who had come back and for whom there were not enough positions in the service.

Reorganisation of Militia.

The reorganisation of the militia had been entrusted to very capable volunteer militia officers throughout Canada and in as many cases as possible to officers who had had actual fighting experience. They had a paper organisation of about 110 infantry regiments in contemplation and about 75 batteries of artillery. That was a considerable increase in the number of batteries of artillery over what they maintained before the war. In addition they proposed to establish a number of batteries of machine guns which would be a new branch of the Canadian Service. The old infantry regiments would be practically the same as they formerly had.

"I think I am within the judgment of the House," declared Mr. Guthrie, "when I say that if we are to continue as a self-respecting country we must maintain a reasonable militia force . . . not a force for aggression, not a force for engaging in military ventures, but a force sufficient to prevent invasion from without and to maintain peace at home. These are the only objects of our militia. To my mind it is a splendid thing for the training of our youth that we maintain such a force. But that is not its main object. Its main object is defence, and I think the House will agree that for this purpose it is absolutely necessary to maintain a military force of reasonable strength."

Speaking of improvements, the Minister stated that they had in the Department of Militia as fine a corps of engineers as could be found anywhere in the world. They had a great many engineering services in the Government of Canada apart altogether from the Militia Department. He believed that a system could be worked out whereby all the engineering work of the Government could be performed by engineers of the Militia Department and that the result would be a tremendous saving.

One other suggestion—first and foremost among the functions of the Department—was the defence of Canada. The Inspector-General was very strong in the view that all branches of that defence should be centred in a single department; that they should have in that department not only their permanent forces and their militia, but also their mounted

police, their civil police, their Air Board. As the work became reduced, the work now done by the Department of Soldiers' Civil Re-establishment might also be brought under the Department of Militia. The Inspector-General thought that the carrying out of some such plan would result in more efficient co-ordination of work and a tremendous saving in the carrying on of these various services. These were matters which were now under consideration.

The Hon. W. L. Mackenzie-King (*Liberal, Leader of the Opposition*) declared that he would not like the statement which the Minister had just made to pass without giving expression to the surprise which must be felt not only in the House but throughout the country once it was learned that the Minister had spent his time not in seeking to advocate retrenchment in the Department of Militia and Defence but in endeavouring to excuse increased expenditure at this particular time. The Minister seemed to think that at the present time they ought to vote an amount at least equal to amounts that were being voted prior to the war. It was largely in anticipation of the danger of a great international disturbance that this country voted for military and naval purposes the sums of money which were appropriated at that time. But conditions were wholly different to-day. There was no world menace. There was not an hon. gentleman on the other side who would say that there was the slightest danger of Canada being invaded from any quarter. Prior to 1914 it was necessary to have men trained as soldiers; they had no trained men, or very few. They had in this country to-day an army of trained men, the most efficient soldiers that could be found in any part of the world.

The Hon. Sir Sam Hughes (*Unionist, Victoria, Ont.*) desired the Minister to consider, first, whether they should build up a permanent militaristic spirit embodied in a permanent force and permanent barracks, overriding the people by officialdom; or, on the other hand, whether they should try to inculcate in the people themselves the true soldier spirit of service and sacrifice, every farmer's son in the nation considering himself as part of the militia, ready to take his fair part in the defence of the country in time of need—in other words, a non-permanent force on the one hand, or a permanent militia with an overriding officialdom on the other.

Mr. Roch Lanctot (*Liberal, Laprairie-Napierville, Que.*) asked why, when they saw that all the people of Europe were disarming and that Germany would be in a short time reduced to having only a hundred thousand soldiers and practically no navy, and when, as he hoped, all the countries which had taken part in the war would be in the same position, Canada was entering further and further along the road to militarism,

when they had no obvious enemy who could attack them to-morrow or in the future?

Mr. C. W. Peck (*Unionist, Skeena, B.C.*) inquired whether they were going to defend the country or not. How were they going to defend it if they had not a strong militia system?

Mr. Ernest Lapointe (*Liberal, Quebec East*) said that this Parliament was elected and this Government was formed, it was alleged, to bring the war to a successful conclusion and so end all wars in the future. Yet they were asked to-day to vote an increased amount for the militia. The people everywhere were opposed to any such increase.

Mr. W. F. Cockshutt (*Unionist, Brantford, Ont.*) thought there was no doubt that Canada was the most poorly defended country in the world. The Minister had told them that the United States were voting \$480,000,000 for their army and, according to their own statement, they were going to have the largest navy in the world in 1924. He said: Do not put your trust in the League of Nations, but put it in the Estimates of the Minister of Militia, which are of a very modest character. As long as humanity was as it was, they were going to have wars; and whether they had a League of Nations or anything else, they must have a force that they could call to their aid when diplomatic effort failed. They could not maintain their dignity and self-respect in a League of Nations or amongst the nations of the world unless they had something to show that, if war broke out amongst humanity, they were going to bear their share of the white man's burden according to their population and the extent of territory they had to defend.

AIR POLICY.

The estimates for the Air Service were discussed in Committee of Supply on 30th June, 1920.

DEBATE IN HOUSE OF COMMONS.

The Minister of Militia and Acting Solicitor-General (*Hon. Hugh Guthrie*) said that last year they passed an Act to establish an Air Board. It so happened that they had in Canada about 12,000 of the most highly trained military airmen who were to be found in the world. A paper establishment had been authorised up to 5,000 men, including all ranks. The proposal was briefly to recruit, as far as possible, the trained men who were to be found in Canada to-day for the purpose of maintaining their interest in and sympathy with the work, in

case in the future it might develop for commercial, scientific, or other purposes, as well as for military operations.

Aeroplane Outfit from Great Britain.

They had received from Great Britain a very extensive aeroplane outfit, consisting of aeroplanes, seaplanes and the necessary additional craft, the value of which he thought amounted to between five and six million dollars. In addition to that they were acquiring certain of their own property at Vancouver as an air station, another property at Morley in the Province of Alberta, another place in the Province of Quebec at or near Lake St. John and, in addition, a small experimental station at Rockcliffe, in the City of Ottawa.

All they needed was to give a limited training to a limited number of airmen in Canada to keep their hand and their eyes in. They proposed doing this by means of Provincial Associations. In each Province of the Dominion the Lieutenant-Governor had undertaken to form a Provincial Association and to enlist as many men as he could in the service. They proposed to give these men a limited training each year, taking them to one of their training stations, there to give them one month's flying amounting to, he thought, two hours a day per man.

The Objects of the Air Board.

The objects to be attained by the Air Board were not by any means all military. The expenditure on this item would be about \$800,000 for scientific, exploration and other commercial purposes. The Government of Quebec had entered into an arrangement with them, on the basis of fifty-fifty, so far as expense was concerned, for the establishment of a station in some part of Northern Quebec, near Lake St. John, for the purpose of exploration and scientific work in that province. They hoped for great results from that undertaking.

They did not propose to enter into any commercial flying as a Government undertaking, but they did propose to supervise all flying of that kind and all air routes. They proposed to license pilots, to license aircraft, to lay out routes and provide the rules and regulations. At the present time they were laying out an air route between North Bay and Winnipeg. The only thing that was necessary in regard to that, he was informed, was to see that they were getting suitable landing stations, and they were locating these upon Crown lands, which would involve no expense. Between Winnipeg and Calgary it was not necessary to have any landing-place, but from Calgary on to Vancouver it would be necessary to provide landing-places, and he believed suitable sites were being located

throughout the mountains. Then from Ottawa eastward to the sea it was also proposed to lay out flying routes. This was a modern development, and they intended to keep up with other nations, and particularly with the United States and Great Britain.

Gifts from the United Kingdom.

Mr. Ernest Lapointe (*Liberal, Quebec East*) declared that all these gifts of warships and aircraft should be accepted by the Parliament of Canada and by nobody else. Among other things the Imperial Conference next year was going to consider was the defence of the various parts of the Empire on sea, on land and in the air, and the fact that Canada, or any other Dominion, had accepted gifts from the United Kingdom meant that they might be placed in a delicate position to refuse concurrence in the plans which would be submitted to the Conference by the statesmen of the United Kingdom. The representatives from Canada and the other Dominions should go absolutely untrammelled by the acceptance of gifts or in any other way.

The Hon. Henri S. Béland (*Liberal, Beauce, Que.*) thought that as to exploration it was very doubtful whether they would derive any benefit from this expenditure so far as scientific purposes were concerned. The only thing for which he could see it would be of any use to the country would be the protection of their forests against fire. Now as far as military purposes were concerned the hon. Minister claimed that some service would be rendered to the country thereby. They had already gone very far in that session after the war was over both on military expenditure proper and on naval expenditure. Were they going to launch the country on expenditure for air preparation?

MINISTER PLENIPOTENTIARY AT WASHINGTON.

On 30th June, 1920, the question of appointing a Canadian Minister to the United States was further discussed in Committee of Supply (*vide* also JOURNAL OF THE PARLIAMENTS OF THE EMPIRE, Vol. I., No. 3, page 476).

DEBATE IN HOUSE OF COMMONS.

The Hon. W. S. Fielding (*Liberal, Shelburne and Queen's, N.S.*) said that two years ago the Ministers returned from the Imperial Conference. He had no doubt conferences were useful

in a general way, but the only particular feature of that Conference which the Government reported to the House was an arrangement whereby a channel of communication was to be opened between the Canadian and Imperial Governments. In times past it had been customary to have the transactions put through the Colonial Office. They were told, and it was represented to be a matter of grave importance, that in future the Prime Minister of Canada was to have the right to communicate direct with the Prime Minister of Great Britain. After the lapse of two years he thought it might be desirable to find out how far this new privilege had been found useful. Therefore he obtained an Order of the House asking if they might receive copies of whatever correspondence had taken place under this new arrangement, and the return came down that in that time certain correspondence had taken place, but it was confidential and no scrap of it could be laid before Parliament.

Now they had this Washington business. It was a very grave step. If difficulties had arisen between the Canadian Government and the American Government, or between the Canadian Government and the Imperial Government out of the existing order of things, he thought it was only fair and reasonable that they should know what these difficulties were in order to justify the steps which it was proposed to take.

They were told that if they had any transaction with the Government at Washington they must first send their communication across the water to the Imperial Government. They would send it to the Colonial Office, the Colonial Office would send it to the Foreign Office, and the Foreign Office would send it to the Government at Washington and gradually, after the lapse of a long time, their wishes would be made known at Washington. For many years Canadian foreign affairs had not been dealt with in that way. They had had experience with relations between various governments, and as far as his own observations went they had never found the slightest difficulty in obtaining communication with a foreign government through the agency of the British Government. For a number of years they had had the British Ambassadors at Washington coming to Canada for consultation. Lord Bryce, in a particular degree, carried out that policy. It was fair to assume that every British Ambassador hereafter to be appointed at Washington would in the future deem it his duty to visit Ottawa and put himself in communication with the Ministers of the Crown, showing that there was absolutely no need for any new system in order to have Canada properly represented.

He believed that when any real business arose which required consideration from the Canadian view-point it was

a very much better arrangement to have a Minister of the Crown, fresh from consultation with his colleagues and fully informed of the Canadian position, leaving Ottawa in the morning, being at Washington by the next afternoon, and then being in a position to represent the interests of Canada. If there was anything really important to do, the Government would, even now, he was sure, send a Minister down from Ottawa to do it, and the gentleman who was supposed to represent Canada at Washington would really be a person of only nominal power. Canada stood so well now with the British Empire generally, and particularly with the Government of England, that he could understand the tendency of the British Government to assent to almost anything within, and even beyond, the bounds of reason that the Canadian Government might ask, but he was persuaded in his own mind that if the seasoned officers of the Colonial Office and of the Foreign Office could give them their private thought they would tell them they found in this arrangement a very dangerous experiment indeed.

The President of the Council (Hon. N. W. Rowell) said that it would not be possible to define the precise limits of the duties and responsibilities of the Canadian Minister. From the very nature of the case the arrangements and the procedure must be flexible. Unquestionably it was in the interests of Canada to be represented at Washington by one of her own citizens, who knew Canadian conditions, who was in close touch with the Canadian Government, and who was continually watching over Canadian interests in order that they might be safeguarded.

The Prime Minister (the Right Hon. Sir Robert Borden) asked how this was different in point of principle from the action of the late Administration, Sir Wilfrid Laurier's Government, in establishing an International Commission which for ten years had dealt with many matters that formerly were settled through diplomatic channels. Had that occasioned any detriment to the good relations between Canada and the United States? On the contrary, he ventured to think that the International Joint Commission had been of the greatest possible advantage to the two countries and had aided in maintaining good relations in respect of matters that might otherwise have led to serious dispute.

Moreover the Government, of which his hon. friend (Mr. Fielding) was a member, gave a somewhat new status to their representative in Paris and they had acted upon that status. When they came into power, they found Mr. Roy, a very able man, acting in Paris for the Government of Canada. He believed his service in Paris had been of the greatest possible advantage to this country. He was in very

close touch with the British Embassy there and he carried on, in some sense, diplomatic arrangements of a minor character, to the maintenance of good relations between Canada and France. There was another thing that they might take into account. They had in London for many years an officer called High Commissioner for Canada. He carried on very important negotiations between the Government of this country and the Government of the United Kingdom, being sometimes brought through his instructions into direct communication with the Prime Minister of the United Kingdom and with the British Cabinet. He thought that the service both of the High Commissioner in London and the Commissaire-Général in Paris had been of advantage to this country. He believed that the presence at Washington of a Canadian representative would be equally of good service and would promote good relations between the two countries.

"I think it perfectly manifest," said the Prime Minister, "that at some time we must have representation at Washington. About two-thirds or three-quarters of the business of the Embassy relates to Canadian interests. When we have ten, fifteen or twenty millions of people in this country, are we, in respect of their interests, in respect of their representation at Washington, to say that all these things can be better attended to by other people than ourselves? Are we to relegate ourselves to a position in the background? I for one do not appreciate that point of view."

The Hon. W. L. Mackenzie-King (Liberal, Leader of the Opposition) declared that the principle at stake in this matter was whether or not Parliament was to have a say in regard to their inter-Imperial and international relations. He thought the time had come when there should be an end to monopoly of control of the affairs of Canada by a Cabinet carrying on the country's business in secret councils.

Mr. Fielding said that to his belief Washington was not a great commercial centre, and if they wanted commercial agents in New York, Boston, Chicago, in any part of the United States where great business interests were centralised, he should very heartily support his hon. friend (Mr. Rowell) in saying that they should have additional representatives in those quarters.

After further discussion Mr. Mackenzie-King's amendment for a reduction in the vote was negatived by 57 to 32 votes.

INTERNATIONAL LABOUR BUREAU.

(Canada's Representation.)

The question of Canada's representation on the International Labour Bureau was raised in Committee of Supply on 30th June.

The Hon. Rodolphe Lemieux (*Liberal, Maisonneuve, Que.*) asked whether the Government had appointed any of its officials of the Labour Department to represent Canada in the Labour Bureau which was organised as a result of the Paris Conference. He knew a Mr. Acland went to the Conference in London.

The Minister of the Interior (*Hon. Arthur Meighen*): "The Minister of Labour is *ex officio* a member of the Labour Bureau. He sent Mr. Acland to the Conference to which my hon. friend refers."

Mr. Lemieux: "Is it understood that the Government is permanently represented in that Labour Bureau?"

The Minister of the Interior: "Yes."

Mr. Lemieux: "I notice with pleasure that the Canadian Government and the Labour Department took quite an interest in the development of that Labour Bureau. Washington and Paris also took an interest in the matter, but through the action of the Prime Minister, as the representative of Canada at the Peace Conference, Canada took a leading part in the creation of this international labour organisation. Will the Labour Department send only an occasional representative, or will it be permanently represented in that organisation?"

The Minister of the Interior: "The Labour Department, as such, is not represented, but the Dominion is represented in the same sense that other countries are, for a period of three years."

Mr. Lemieux: "By whom?"

The Minister of the Interior: "There are twelve representatives, eight by the eight chief commercial countries and four by election. Canada is represented at the Conference by the Minister of Labour."

Mr. Lemieux: "Who may depute one of its representatives to attend?"

The Minister of the Interior: "Yes."

Mr. Lemieux: "I understand that at the Seamen's Conference, held recently at Genoa, the Government was represented first by Sir George Perley and subsequently by the Hon. Mr. Roy, Canada's representative in Paris."

The Minister of the Interior: "That is right, and by Mr. Desbarats also."

FRENCH TREATY.

The Hon. Rodolphe Lemieux (*Liberal, Maisonneuve, Que.*), on a motion for Committee of Supply on 26th June, directed the attention of the Minister of Trade and Commerce to the question of the French Treaty.

The Minister of Trade and Commerce (*the Right Hon. Sir George Foster*): "The French Treaty has been denounced and it went out of operation on the 19th day of June. Some negotiations have been passing since, and a proposition has been made to the French Government by which in return for a reasonable compensation of import duties on lines of articles exported from Canada the French Government will be given the benefit of the intermediate tariff, and thus be put on the same footing as those nations which at the present time enjoy that benefit."

The Hon. Rodolphe Lemieux: "Shall we get from the French Government a continuation of the privilege of the minimum tariff? I am informed that if a suggestion is made by the Canadian Government of giving under a new Treaty the benefit of the intermediate tariff to French exports, we might have from the French Government the benefit of their minimum tariff. My right hon. friend understands the very great importance of this subject in view of the large exports from Canada to France. The denunciation of the Treaty, I regret to say, has threatened to dislocate that trade. But as my hon. friend states, if there is a possibility of getting an arrangement by which benefit would be taken of the intermediate tariff, well and good. I suppose that is the best bargain my right hon. friend has been able to secure."

The Minister of Trade and Commerce: "That is all we can do."

TRADE WITH RUSSIA.

In reply to a question by Mr. Joseph Archambault (*Liberal, Chambly and Verchères, Que.*) on 28th June, **the Minister of Trade and Commerce** (*the Right Hon. Sir George Foster*) said: "There are no restrictions as regards trade between the people of Russia and the people of Canada. Any Canadian is at perfect liberty to make any arrangement he pleases in the way of trade with any Russian, and this Government does not grant any more facilities to one than to another. It is perfectly free and open to the people of the two countries to

make any arrangements they desire as regards trade. In the second place, I may say that no negotiations have been carried on governmentally, although I may inform the House that I have been asked whether there is any objection to such trade being carried on, and I have answered that there is not. As to what contracts have been made, that is a matter with which the Government has nothing to do, and in regard to which, therefore, it has no special information; but it is currently stated that considerable contracts have already been entered into."

SHIPBUILDING INDUSTRY ACT.

The purpose of this Act, which was assented to on 1st July, 1920, is to give assistance to the Canadian shipbuilding industry.

The Act recites that whereas large numbers of men are employed in the shipbuilding industry in Canada; and whereas at the present time there is no sufficient demand for the construction of ships by Canadian purchasers, and the Government of Canada has ceased placing further orders; and whereas inhabitants of European countries are desirous of placing orders for ships in Canadian yards, but, owing to the present rate of exchange and the depreciated value of foreign currencies, they are unable to finance such orders; and whereas it is advisable to assist in financing the construction of ships in existing Canadian shipyards: Therefore His Majesty, by and with the advice and consent of the Senate and the House of Commons of Canada, enacts as follows:

In any case where a person (hereinafter called "the purchaser") has entered into a contract with a shipbuilder for the building in Canada of a vessel of not less than three thousand tons, and such contract is approved by the Ministers of Finance and Fisheries, and a sum not less than ten per centum of the price of such vessel is paid by the purchaser to the shipbuilder in cash at the time the contract is entered into, and, if such cash payment is less than twenty per centum of such price, the payment to the shipbuilder of a further sum which, with the said cash payment, will amount to not less than twenty per centum of such price not later than six months after such time, and the payment of a further sum not later than nine months after such time, if the previous payments are less than twenty-five per centum of such price, which will be sufficient with the other said payments to amount to at least twenty-five per centum of the total of such price, are contracted for and secured to the satisfaction of the Minister of Finance; and the payment of an additional twenty-five per centum of the price is arranged between the purchaser and the shipbuilder, and secured to the satisfaction of the Minister of Finance, the Governor in Council may authorise the Minister of Finance to endorse, on behalf of His Majesty, promissory notes drawn by the purchaser in favour of the shipbuilder for the fifty per centum of the price of the said vessel.

The Act further provides that a first mortgage on the vessel for the full amount of the endorsed notes shall be given to His Majesty, that the vessel shall be registered in Canada, and, until the amount secured by the mortgage has been fully paid, the register shall not be transferred, and the vessel shall be insured in favour of His Majesty. In the case of an alien purchaser other approved security may be substituted for the mortgage.

The whole amount of the notes which may be endorsed on behalf of His Majesty is limited to twenty million dollars.

DEBATE IN HOUSE OF COMMONS.

Explaining the proposed resolution containing the provisions of the Bill to the House in Committee on 22nd June,

The Minister of Finance (Hon. Sir Henry Drayton) said that they had a large number of shipbuilding yards in the country well equipped and capable of turning out a maximum net tonnage of 250,000 tons a year. Roughly speaking, they employed in that industry some 25,000 men. Besides the men engaged in shipbuilding proper, there was a large number of men of necessity engaged in industries which were dependent upon activity in shipbuilding. For some considerable time insistent demands had been made that the country should adopt a system of bonusing shipbuilding. These demands were not only fathered by the shipyards, but were very energetically endorsed by the men employed in the shipyards, the Trades and Labour Council, as well as by the returned soldier organisations, because very many returned soldiers had found remunerative employment in shipbuilding. The Government, however, had been unable to see its way to recommend to the House any bonus. The real difficulty was not of price, but of credit. It was a difficulty arising out of exchange troubles, and the impossibility, on the one hand, of many purchasers absolutely solvent making full cash payments for their boats, and the inability, on the other hand, of the shipyards to finance the whole construction.

The proposition which was now before the Committee was that twenty-five per cent. in cash must be paid by the purchaser, that the shipbuilder had to look after twenty-five per cent., and that the remaining twenty-five per cent. had to be looked after by an issue of notes made by the purchaser and endorsed by the Government; but that the Government's endorsement should be secured by a first mortgage on the boat. The purchaser looked after whatever there was of cost over and above seventy-five per cent. Of course the mortgage, to be of any use to them, had to be a mortgage on a boat of Canadian register, and they must maintain Canadian registration in connection with all boats which they held for any mortgage claim. One

of the great difficulties was in connection with currency payments for these boats. Some of the French banks and companies, which said they were anxious to get boats here, were certainly solvent and strong, but they did not see their way to making the large loss in exchange, and in a case of that kind the security which would be demanded would be security in the currency of the country that would be ample and sufficient, having regard to the margin of the security that they were insisting on in connection with the mortgage to protect the Government's endorsement. The result of it all was that the country took this risk, but it took the risk of taking over a Canadian boat at fifty cents in the dollar. As against that risk it ensured private shipbuilding being carried on and the continuance of an industry in which some \$47,000,000 had been spent, and in which a very large number of their best workers were engaged.

Mr. A. R. McMaster (*Liberal, Brome, Que.*) thought that the country had made great mistakes by bonusing, either directly by bonuses or indirectly by a system of protection. He believed it had had the effect of stimulating into precocious economic life many industries of the country before the country was ready for them, to the great loss of Canada and to the very slight benefit, if any, of the industries affected. Next, they were asked to commit themselves to an indirect liability without limit. If this was a sound banking proposition were not their Canadian banks strong enough to finance the building of a few ships? The very fact that they were not prepared to do it unless the Government endorsed the security should make the Government very careful in the matter. The other day a suggestion was made that the Government should become a partner to industry. That was a Socialistic scheme of a very large order, but at least it had this advantage, that whatever profits were realised, the Government would get its share. Under this scheme they ran the risk, but they got none of the profits.

Mr. J. H. Sinclair (*Liberal, Antigonish and Guysboro', N.S.*) declared that shipping was increasing at an enormous rate. The tonnage of the world was about as large as it was before the war, and it would not be long until it became as cheap as it was before the war. A mortgage for a given amount on a ship that was built at \$200 a ton to-day might not be worth half as much two or three years hence. No industry was so hazardous as the shipping industry. They wanted Canada to be a ship-owning country, but those of them who had any idea of business felt that public ownership was not the kind of ownership that would succeed in the shipbuilding industry. He thought they had made a mistake in going so far as they had in regard to the matter.

The Minister of Marine and Fisheries (Hon. C. C. Ballantyne) stated that they had a proposal submitted to the Government that France, which was badly in need of tonnage, wished to have millions of dollars' worth of ships constructed in their yards. They had first of all the buyer's note, secondly, they had the endorsement on the buyer's note of the shipbuilder, and, thirdly, the Government had a mortgage for the full amount of the ship that was going to be ordered in Canada. He did not see that the Government or Parliament or the country ran any risk whatever in advancing fifty per cent. of the money. Canadians had proved that they could build ships equally as good as were built in the United Kingdom, and at as low a cost. It was a sound, clean-cut business proposition to bring into the country millions of dollars to keep their seventeen yards in Canada busy for two or three years, and to keep employed 50,000 skilled Canadian workmen, a very large percentage of whom were returned soldiers.

The Hon. T. A. Crerar (Independent, *Marquette, Man.*) was opposed to the proposal embodied in the resolution. It was true that they were not handing over to shipbuilding concerns sums of money in actual cash by way of subsidy. What they were doing was pledging the credit of Canada to assist in the building of these ships. So far as the transportation of the products of Western Canada was concerned, he thought it was the duty of the Government to establish a mercantile marine under their own control, so that they should not be dependent upon the shipping of any other part of the Empire, or of any foreign country. But who would these ships be built for? The Minister of Marine and Fisheries said they would be built for the French Government. What the Government was really doing was assisting foreign countries to build ships which would be used in competition with their own mercantile marine.

After further discussion the resolution was carried on division, and the Bill was read the first time.

Speaking on the motion for the Second Reading of the Bill, on 24th June,

Mr. D. D. McKenzie (Liberal, *Cape Breton North and Victoria, N.S.*) said that if anyone in France, England, Belgium, or elsewhere wanted to build a ship, the old land was full of shipyards. Were they sane, when they were starting out to lend money without interest, without security, without profit of any kind, to other men or to a series of concerns who were going to build ships and put them into trade against themselves and cut down their profit on ships in which they had invested \$75,000,000?

Mr. H. F. Keefer (Unionist, *Port Arthur and Kenora, Ont.*) thought that they had not enough ships to-day in the Canadian

merchant marine, and it would be a very good investment for Canada to get these ships at half cost. Canada stood in a most remarkable position so far as shipping was concerned. On the East and on the West she reached out with both arms to the two oceans. Of all countries, her eastern coast was nearest her western coast on a trip round the world. They must become a maritime nation.

Mr. William Duff (*Liberal, Lunenburg, N.S.*) stated that these ships would be under Canadian register until the notes were paid. Under Canadian register and under the present Shipping Act, the ships would have to be captained and officered by British subjects. He fully believed that when the French contractors found that they must be officered by British officers and engineers, they would refuse to take delivery of them.

After consideration in Committee, the Bill was read a third time and passed on 24th June.

COAL SITUATION.

The question of coal shortage in Canada was discussed by the Prime Minister and Mr Lemieux on 17th June, and subsequently, on 28th June, the Prime Minister introduced a Bill into the House of Commons amending the Railway Act, 1919, granting the Board of Railway Commissioners powers of control over coal and fuel supplies. The Act was assented to on 1st July.

DEBATE IN HOUSE OF COMMONS.

The Hon. Rodolphe Lemieux (*Liberal, Maisonneuve, Que.*), in moving, on 17th June, the adjournment of the House for the purpose of discussing the impending coal shortage threatening to dislocate certain industries and to cause serious hardship in the homes of the Canadian people, said that all he desired to know was the policy of the Government in the matter. The price of coal was between \$15 and \$16 per ton, and coal dealers could not guarantee that next week it would not be \$17. There was no coal, and it was only right that the attention of the Government should be directed to this very serious situation. It was a most urgent matter that affected the great industrial centres of Ontario and Quebec. He was informed on the best authority that some of the western coal mines of Canada to-day were shipping their coal to the western States, and England was getting shipments of coal from Nova Scotia. In other words, Canada was sending coal to Newcastle. England, France and Holland and other European

countries had large orders with the coal mines of the East to the detriment of Central Canada. He could show that the production of coal to-day had fallen short in all parts of the world, especially in England. They depended entirely in Central Canada on Pennsylvania coal, and they could hardly get it to-day. Why should not the ships (belonging to the Government Mercantile Marine) be utilised in transporting coal from Nova Scotia to Montreal and to Quebec, making of these two ports the distributing centres for Central Canada? On the other hand, would it not be possible to adopt some special temporary rates on the railway systems, in order to facilitate and cheapen the transportation of coal from Western Canada? He did not know whether that was feasible, but at all events they had the right to expect that the Government realised the seriousness of the situation and the danger which it portended.

The Prime Minister (the Right Hon. Sir Robert Borden) thought that everything that was practicable had been done up to the present time. A sub-committee of the Council was appointed, consisting of the Minister of Railways and Canals and the Minister of Labour, who had been actively engaged in examining the situation, and taking such measures as seemed to them practicable for the purpose of alleviating unfortunate conditions. On the very day after their appointment they summoned representatives of all the railways of Canada, of some of the important industries, and they endeavoured to obtain full and accurate information in regard to the situation. He believed that three of the Government steamers had been engaged in the work of transportation. He hoped the House would bear in mind that during the past two or three weeks the difficulty had been one of transportation rather than of coal supply, as he understood it. He believed there were produced in Canada last year 16,934,561 tons of coal. They were somewhat disturbed by reports that came to them as to the enormous amount of coal that had been exported in the early part of this year to European countries, and very strong representations were made, to the effect that their own industries would suffer very greatly if this was permitted to continue. He desired to bear tribute to the fine spirit of friendly and neighbourly co-operation which had been manifested towards the people of this country by the Government of the United States during the past two or three years, when matters were somewhat urgent with them so far as coal supplies were concerned. Therefore they must remember that when the United States of America gave that very friendly and just consideration to them, they must be inspired by the same spirit of sympathy and goodwill to them (the United States) in respect to that supply of their western coal that

went to their country. It was highly probable that demands upon the coal reserves of the United States in the future, increasing as their population increased and as their industries still more greatly developed, might make it necessary for the people of that country to consider to what extent they must conserve their supply. In doing that he was absolutely confident that they would give every reasonable consideration within their power to the necessities of this country. But they had enormous supplies of coal in Canada, and the sole difficulty was the question of transportation over the enormous area of the Dominion. They had great coal supplies on the Atlantic seaboard in the East, enormous supplies on the Pacific seaboard in the West, and in the Province of Alberta; but for about three thousand miles between no supplies of native coal were available, except those which must be brought from this great distance. Consequently, it would be for the Government to consider what could be done in making these supplies more effectually available to the people of this country. Connected also with the question of transportation was the question of utilising the lower grades of coal by some process of manufacture so that they could be transported without detriment, and would be more useful to the people when they came to be consumed. That question had been under investigation by the Research Commission, and he believed that some results had been obtained which would be regarded as very fair, when they came to be announced at a later date.

On 28th June the **Prime Minister** proposed the following resolution :—

“That it is expedient to bring in a measure amending the Railway Act, 1919, by adding thereto provisions conferring upon the Board of Railway Commissioners of Canada power to do and authorise all such acts and things, and to make from time to time all such orders and regulations as the Board may deem necessary or advisable, by reason of the real or apprehended scarcity of coal and other fuel supplies in Canada.”

The Prime Minister explained that the use of coal was restricted in the United States to certain purposes, under certain established priorities, which had regard, for example, to essential industries as distinguished from those which were not essential. They could not expect the United States to send to this country coal to be used without any control whatever. It was therefore absolutely necessary that they should confer upon some authority in this country the power necessary for the purposes which he indicated. It occurred to him that, inasmuch as they had a Board of Railway Commissioners in Canada, which had wide powers in respect of many cognate matters, and which possessed administrative machinery, very highly organised, that they might very well ask the House to confer adequate

powers upon that Board, instead of confiding those powers to the Governor in Council.

The Hon. Rodolphe Lemieux thought this was the proper course. He found that even in New York emergency committees were being appointed by various industries to cope with the very serious coal shortage which now existed in the United States, notwithstanding that it was a country where coal was produced in such abundance. They had vast coal deposits and other fuel resources in abundance, and it required only well-directed effort on the part of their Government and their people to become practically independent of their neighbours to the south.

Mr. J. A. Currie (Unionist, *Simcoe, North Riding, Ont.*) said that they must consider an embargo on coal going to Europe. Normally they gave the United States just as much soft coal as they (the United States) gave them. In times past the great bulk of the soft coal for the Eastern States used to come from Nova Scotia. Whether the United States were endeavouring to reach the point when they would not have to use Canadian coal he did not know, but the fact remained that they were compelling a lot of their coal to find a market through Atlantic ports in Europe and South America.

After the conclusion of the discussion the Prime Minister moved for leave to introduce a Bill embodying the resolution.

DOMINION LANDS ACT AMENDMENT.

This Act, which was assented to on 11th May, amends certain clauses of the Dominion Lands Act with reference to land settlement and the disposal of school lands.

Bill No. 35, as introduced in the House of Commons, provides that if an applicant for a certificate of naturalisation be refused on the ground that such applicant has not an adequate knowledge of either the English or French language, the Minister may, on receipt of a certificate to this effect from the Secretary of State of Canada, issue letters patent in the name of such applicant (Sec. 1).

It further provides that when for any reason a part or a fraction only of a quarter section of school lands has been disposed of to any person ; upon any portion of the balance of the said quarter section becoming available for disposition, the Minister may sell such portion to the registered owner of the part of such quarter section already disposed of upon terms satisfactory to the Minister, and at a price per acre to be fixed by the Minister after valuation by an official of the Department (Sec. 3).

On 12th April, Bill No. 55 was introduced in the House of Commons amending the Lands Act so as to define "Allies"

as including Allied and Associated Powers, and the two Bills were incorporated into one.

DEBATE IN HOUSE OF COMMONS.

In moving the Second Reading of Bill No. 35 on 8th April,

The Minister of the Interior (Hon. Arthur Meighen) explained that the object of the first section was to enable a homesteader to get his patent though not naturalised, he being debarred from naturalisation on account of inability to speak English or French. Provision was made last session to enable persons now debarred from naturalisation to obtain patent to a homestead upon securing a certificate of qualification for naturalisation barring recent statutory requisites (*Vide JOURNAL OF THE PARLIAMENTS OF THE EMPIRE, Vol. I., No. 1, page 116*). A judge could not give a certificate that a man was justified to be naturalised unless he could speak English or French. That did not seem quite fair to an applicant who entered his homestead prior to such statutory provisions existing. The second section had to do with the same matter.

The third section provided for power in the case of school lands to enable the department to sell upon a valuation a portion of a quarter section or of a half section that might not have been included in the original sale but which later could be added. They now by statute must sell by auction. Cases arose, for example, where a lake was in the land sold and as the lake receded there was more land available. It did not seem the part of wisdom that that extra territory should be put up at auction because the only man to whom it was of any use was the man who owned the quarter section.

Mr. D. D. McKenzie (Liberal, Cape Breton North and Victoria N.S.) presumed that the land came down to the lake at the time the land was sold. The common law was that if by accretion or otherwise there was more land in front of a man's property, or if the lake receded, so much the better for the man who owned the land adjoining because he also owned the land caused by the recession of the lake. If, on the other hand, the water encroached upon the man's property, he had to put up with it. He would like to know why that principle of common law was not followed in the west in connection with the sale of land adjoining water.

The Minister of the Interior said that there was still a controversy as to whether land that was recovered from a lake by pressure, as distinguished by land that was recovered by recession of water, accrued to the advantage of the riparian owner. It did not apply in this case for the reason that the Department of the Interior in its sales defined by plan the lands sold.

Mr. McKenzie stated that in the case of a small lake or an ordinary sized river, although his (the owner's) land might be patented only to the edge of the river, under the decisions of the English courts his ownership extended to the centre of the stream. In the case of these lakes in the west it was a very nice question whether the Government could step in and cut him off from the water rights. If the water receded they were depriving the man sometimes of the great advantage of having a water frontage, and it was one of the principles of the English law that you could not take away a man's water frontage because the water had receded.

The Minister of the Interior said he was entitled to the land shown on the plan; and he was not entitled to any more. They could afterwards let him have that land. It might be that they did not need the rest of the land, or it might be that some of it became valuable because of recession, and consequently they wished the power to sell it.

On 12th April, the **Minister of the Interior** moved for leave to introduce Bill No. 55 and said that he wanted it to be considered with the other Bill (No. 35). The object was to include soldiers who had served in the armies of the United States in the same rank with soldiers of the Allies as regarded homesteading privileges. The United States being an associated Power they were held not to be so included. Explaining the Bill in Committee the Minister said that ever since the war the department had been empowered to count the period of service of an enlisted man as residence in his homestead, and in the event of his coming back permanently disabled, so as not to be capable of working, to give him his patent; similarly, to give a patent on behalf of the man who was killed or had died on active service. That privilege was extended statutorily to members of any of the Allied Forces, but, of course, the Department of Justice advised that members of the American Army were not members of an Allied Force.

The motion to consolidate the Bills was agreed to and the new Bill read the third time and passed.

CRIMINAL CODE AMENDMENT ACT.*

(Firearms; Sexual Offences; Betting, &c.)

This Act, which was assented to on 1st July, 1920, amends a number of articles of the Criminal Code.

The Bill, as passed by the House of Commons on 11th June, 1920, provides, *inter alia*, that anyone carrying certain specified weapons upon his person, elsewhere than in his own dwelling-house or premises, or having

* The Act in its final form had not reached this country at the time of going to Press.

in his possession any firearm, requires a permit ; provided that no British subject shall be required to obtain a permit with respect to any shot gun now owned by him. (Sec. 2.)

Any person signing any document purporting to be an affidavit or statutory declaration as having been sworn or declared before him when such document was not so sworn or declared, or any person offering for use a pretended affidavit or declaration shall be guilty of an offence. (Sec. 3.)

Sexual Offences.

The Bill further provides that every one over the age of eighteen years is guilty of an indictable offence and liable to two years' imprisonment who seduces or has illicit connection with any girl of previously chaste character of or above the age of sixteen years and under the age of eighteen years. Proof that a girl has on previous occasions had illicit connection* with the accused shall not be deemed to be evidence that she was not of previously chaste character. (Sec. 4.)

Any person is guilty of an indictable offence who seduces or has illicit connection with any woman* or girl previously chaste and under the age of twenty-one years who is in his employment or in any way subject to his control or receives her wages directly or indirectly from him. (Sec. 5.)

Every one is liable, upon summary conviction, to a penalty not exceeding five hundred dollars or six months' imprisonment who at any hotel or lodging house, by registration in any book, represents that a woman or man to whom he or she is not married is his wife or her husband, as the case may be, knowing the same to be untrue. (Sec. 6.)*

Every one is liable to imprisonment for five years who carnally knows any girl* under the age of sixteen and above the age of fourteen, not being his wife, and whether he believes her to be above the age of sixteen or not ; and any person attempting to commit rape is liable to seven years' imprisonment and to be whipped. (Secs. 8 and 9.)

Betting.

The Bill permits betting under certain restrictions which provide that no race meeting continues for more than seven days of continuous racing and that there are not more than seven races on any such day ; that on any one race-track there are not more than two race-meetings a year and that the race-course is located within three miles of a town of not less than fifteen thousand people. It is also provided that where any person or association becomes a custodian of any money, bet or stakes during the actual progress of a race-meeting conducted on the race-course of the association, upon races being run thereon, that the percentage deducted and retained by the association from the total sum of money so deposited, *under the pari-mutuel system*, shall not exceed a fixed amount. The pari-mutuel machines must be approved by and under the supervision of an officer appointed by the Minister of Agriculture, who, if he is not satisfied that a proper proportion of gate receipts and percentages taken from the pari-mutuel pools is being given in purses to horses taking part in the race meeting, may at any time order the pari-mutuel machines to be locked. These provisions do not apply to race-meetings where there are trotting or pacing-races exclusively. (Sec. 7.)

The Bill further provides penalties for anyone unlawfully wearing decorations or uniform, unlawfully possessing a certificate of discharge or

* This was amended in the Senate. See page 682.

making alterations in such certificates (Sec. 10) ; and for anyone keeping a common bawdy house if such offence was committed in any premises with respect to which premises more than two convictions have been made, whether the same person has been convicted as keeper thereof or not. (Sec. 14.)

Finally, it is provided that either the Attorney-General of the province or any person convicted of an indictable offence may appeal to the Supreme Court of Canada from the judgment of any Court of Appeal setting aside or affirming a conviction, if the judgment appealed from conflicts with the judgment of any other Court of Appeal in a like case.

DEBATE IN HOUSE OF COMMONS.

Introducing the Bill in the House of Commons on 28th May,

The Minister of Justice (the Right Hon. C. J. Doherty) explained that the effect of the provision amending the articles that dealt with the possession of firearms was to extend the present law so as to include a larger number of kinds of firearms.

There was a provision making it an offence to use as a sworn document or affidavit, representing it to be such, an instrument which had not been sworn to.

There were provisions dealing with raising the age of consent. With regard to the section dealing with gambling, Mr. Doherty said that it was proposed to modify the present legislation by limiting the method of organised betting which was permissible, to the use of the pari-mutuel machine, and furthermore to make it a condition of the permission that the profits derived from the betting operations should be restricted to a limited percentage of the amounts at stake.

There was an amendment for the purpose of making a person convicted of attempting to commit rape liable to be sentenced to be whipped. Under the existing law, whereas a person found guilty of indecent assault might be sentenced to be whipped, a person found guilty of the graver offence of attempted rape was not subject to that punishment.

There was a provision making an offence and providing punishment for the unlawful wearing of a uniform of any of the Forces of His Majesty, or badges, buttons and so forth, indicating military service.

There was a provision making more severe the penalties for persons convicted of keeping bawdy houses. The purpose was to make imprisonment imperative in the case of a third offence and to provide that when the offence was committed more than twice in the same premises, even though it was committed by a different person, the third time the offence was committed it should be treated as a third offence. It

had been pointed out by the administrators of the law that it had been impossible to get convictions as for a second or as for a third offence because after each conviction there would be a new person carrying on the business.

With regard to appeal, Mr. Doherty explained that it was proposed to enact that in any case where the judgment of the Court of Appeal of a province was in contradiction of the judgment of another Court of Appeal of another province on the same point, the Attorney-General or the accused should have the right of appeal to the Supreme Court. The purpose was simply to make it possible to have a uniform jurisprudence in the application of this law, which was common to the whole Dominion.

Trade in Firearms.

Continuing the Debate in Committee on 10th June, Mr. Doherty said that it was considered desirable under existing conditions that they should have a control over the trade in firearms generally. It did not seem right, however, that a British subject, who under the law as it stood was under no restriction as regarded that class of arms, should be controlled as regarded those arms that he had already acquired. It was astonishing how much crime was attributable to the ease with which people obtained firearms and the indiscriminate way they used them.

With regard to betting Mr. Doherty said that they expected the effect of this law would be to disinterest this class of people (*i.e.*, persons running tracks purely for money making) in racing associations, and that in the future they might hope to have racing controlled by people who were interested only for the sport and for the encouragement of the breeding of good horses.

Respecting Section 9 the Minister explained that consent under 14 was entirely immaterial. Consent under 16 would be immaterial in the future, but the punishment of a person committing an offence with a girl between 14 and 16 was not made as heavy as it was with regard to a girl under 14, in which case a man was liable to imprisonment for life and to be whipped.

Speaking on the motion for the Third Reading on 11th June,

The Hon. T. W. Crothers (*Unionist, Elgin, West Riding, Ont.*) protested against Parliament endorsing any form of gambling. How was it that draft horses were produced in this country at a profit? Because there was a demand for them. And if there was any demand for roadsters, breeders of thoroughbreds would find a market just as did the breeders of draft horses.

Mr. Michael Clark (*Independent, Red Deer, Alta.*) thought that Governments and Parliaments had to do with all classes and conditions of men and had to harmonise one portion of society with the other. They ought to go cautiously in the methods they pursued for the improvement of society. He did not know that it would impress his hon. friend the Minister of Justice, but he was sure he would shrink at the idea of having to regulate rich companies or rich individuals, or even boys playing marbles, although he was found in the apparently congenial sphere of activity of curbing the old-fashioned sport of horse-racing. He thought it would be just as well to leave that sport alone.

The Prime Minister (*the Right Hon. Sir Robert Borden*) said that at certain points in Canada near the frontier race meetings had been held too frequently and that large amounts of money had probably been taken out of the country. What they were determined to do was to impose such further restrictions upon the law already existing as would prevent unscrupulous people from coming in from abroad and engaging in that country in the practices he had mentioned.

The motion was agreed to and the Bill read a third time.

DEBATE IN THE SENATE.

The Leader of the Senate and Minister of Civil Re-establishment (*Hon. Sir James Lougheed*), in moving the Second Reading of the Bill in the Senate on 22nd June, said that it had been before them on many occasions and apparently with respect to some provisions, the Senate had not been able to see eye to eye with the House of Commons. He thought that Section 7 might be said to be midway between those who advocated, say, an open door in regard to betting, and those who were opposed to it entirely.

The Hon. N. A. Belcourt (*Ont.*) thought that the sooner they did away with allowing people to have firearms and weapons of that sort, the sooner they would reduce the criminality of the country. They had many people coming from foreign lands—Italians and others—who were in the habit of carrying stilettos, and used these and other weapons in the country, with the result that criminality was much larger on account of the fact that they were allowed to carry on in that country as they did in Europe.

Amendments.

Considering the Bill in Committee on 23rd June,

The Leader of the Senate said that evidence had been secured from authentic sources and it was well known that rifles

had been introduced into the country, more particularly by foreigners with a declared object in view.

The Hon. L. G. Power (*N.S.*), referring to Section 4, thought that when they passed legislation which enabled perhaps an abandoned woman to exercise what they called blackmail towards a man, who was not really seriously guilty, it was a very undesirable kind of legislation. The law as it stood now protected the young woman up to the age of 16, and he thought that was protection far enough.

The Hon. W. Proudfoot (*Ont.*) stated that in England the age of consent had now been raised to 18.* In Victoria the age of consent was 18 years; in Queensland, South Australia, West Australia and Tasmania, 17 years. It struck him as only fair that they should increase it there.

An amendment moved by **The Hon. W. B. Ross** (*N.S.*) to omit the words "illicit connection" in Section 4 was agreed to.

The Hon. L. McMeans (*Man.*) took exception to Section 6 (falsely pretending to be married) on the ground that it made the offence the registration in a hotel. Evidently the clause was framed for the purpose of prohibiting illicit intercourse between a man and a woman in a hotel. It did not make that act itself the offence. He therefore moved that it should be struck out.

The Hon. W. B. Ross, in seconding the motion, said that the clause covered the case of a large class of men who served in the Army. They were treated to-day, and were treated all during the war, as being the husbands of the women they had been living with prior to enlistment and their children were treated as legitimate children.

Mr. McMeans' amendment was agreed to.

Continuing the discussion in Committee on 24th June,

The Hon. W. B. Ross moved that after the word "girl" in Section 9, the words "of previous chaste character" should be added.

The Hon. L. G. Power thought it a most unreasonable proposition that any man who offended with any girl (between the ages of 14 and 16)—she might be really a professional prostitute—was liable to imprisonment for five years.

The amendment was agreed to.

The Leader of the Senate, recurring to Section 5 said that he did not think the clause should be made to extend to a married woman. He thought a married woman should be

* This is not quite accurate. A proposal to this effect has been made by witnesses appearing before the Parliamentary Committee dealing with the Criminal Law Amendment Bill, now before the Parliament of the United Kingdom. The age proposed under the Bill is 16. The Bill will be summarised in the next issue of the JOURNAL.

able to take care of herself even though she was in the employ of somebody.

Mr. W. B. Ross's amendment to strike out the word "woman" was consequently agreed to.

A further amendment passed by the Senate consisted in the addition of a section providing that "on the trial of any offence against Sections 4, 5 or 9 of this Act the trial judge shall instruct the jury that if in their view the evidence does not show that the accused is wholly or chiefly to blame for the commission of the said offence, they may find a verdict of acquittal."

The Senate's amendments were discussed and concurred in by the House of Commons on 29th June.

RETURNED SOLDIERS' INSURANCE ACT.

This Act, which was assented to on 1st July, 1920, provides an insurance scheme for returned soldiers based on the recommendation of the Special Committee on Pensions and Re-establishment.

The Act empowers the Minister of Finance to enter into an insurance contract with any returned soldier,* or any widow domiciled and resident in Canada, providing for the payment of five hundred dollars or any multiple thereof, not exceeding five thousand dollars, in the event of the death of the insured. The payment shall, to an amount not exceeding one-fifth, be made on the death of the insured, and the remainder shall, at the option of the insured, be payable as a life annuity, or as an annuity certain or guaranteed for five, ten, fifteen or twenty years, and thereafter as long as the beneficiary may live. Option as to the method of payment may be varied by declaration of the insured or, after his death, by the beneficiary, with the consent of the Minister.

The contract may also provide that if the insured becomes totally and permanently disabled, and rendered incapable of procuring continuously any substantially gainful occupation, and if such disability is not deemed to be attributable to his service so as to bring him under the provisions of the Pension Act, the premiums thereafter falling due under the contract shall be waived, and the insured shall be entitled to receive as a disability benefit an annual payment not exceeding one-twentieth of the sum insured, to continue during the lifetime of the insured, but not to exceed twenty payments in all; if the insured dies before the twentieth payment, the balance shall be payable as a death benefit (Sec. 3).

The said payments shall be made to the wife, husband, child, grandchild, parent, brother or sister of the insured, or to such person as may

* "Returned soldier" means any person, male or female, who has served in the Naval, Military or Air Forces of Canada in the Great War, or having been domiciled and resident in Canada on 4th August, 1914, has served in any of His Majesty's forces or those of the Allied or Associated Powers in the War, and has been retired or obtained honourable discharge therefrom.

be by the regulations entitled to become a beneficiary under the contract (Sec. 4). If the insured is a married man or a widower with children, the contract shall be for the benefit of his wife or children (Sec. 5); if he is an unmarried man or widower without children, the contract shall be for the benefit of his future wife or of his future wife and children (Sec. 6). If the insured is a female, and the contract is effected for the benefit of more than one beneficiary, the insured may apportion the insurance money among them as she deems fit; if she is a widow, the contract shall be for the benefit of such person or persons mentioned under Section 4 as may be shown to be dependent upon the widow for support (Sec. 7).

If, on the death of the insured, a pension becomes payable under *The Pension Act* to any person or persons under Sec. 4, there shall be deducted from the insurance benefit the aggregate present value of the pension or pensions so payable, computed on a basis prescribed by regulation, and in such case there shall be returned to the beneficiaries their proportion of the premiums paid (with interest at 4 per cent.) (Sec. 10).

No medical examination or other evidence of insurability shall be required in respect to any contract issued under the Act; provided the Minister may require such medical examination or other evidence of insurability as he may deem necessary (Sec. 15).

Insurance money payable under the contract shall be unassignable, and shall not be subject to the claims of creditors of the insured or of the beneficiary (Sec. 16).

Other sections of the Act provide for the death of beneficiaries during the life-time of the assured (Sec. 9) or before all payments are made (Sec. 11) and general regulations for the purposes of the Act (Sec. 17).

HOUSE OF COMMONS.

Mr. Hume Cronyn (*Unionist, London, Ont.*), in moving, on 22nd June, that the final report of the Special Committee on Pensions and Re-establishment should be commended to the consideration of the Government, explained that one of the effects of the War had been to render insurance in the established life insurance companies either prohibitive or much more expensive than that available to the healthy civilian. As could be understood a man who had been seriously disabled by wounds or disease could not be accepted as a safe risk by a life company. A striking instance of this was the case given in evidence that a blind man was not insurable. Even if not partially disabled, the ex-soldier was not infrequently called upon to pay a higher premium than the accepted rate for a man of his years. Now, those men, while they might be in receipt of pensions for the disabilities under which they suffered, were solicitous of obtaining insurance for the purpose of protecting their families in the event of their death. It was quite true that, should they die from causes arising from war service, certain of their dependants would become pensioners, but, only in a special class—and then only for a limited period—would these dependants be pensioned if the death of the soldier was due to some other

cause than the war. The main object of the Bill was to provide insurance in the case of death from some cause other than war service. He desired to emphasise the point that, in the event of the dependents of the insured being awarded a pension on his death, these dependents could not as well receive the benefits provided under his policy; they would be repaid, it was true, the premiums which the soldier might have contributed, with interest, but they were not permitted to draw both upon the Pension and Insurance Funds. Another point worthy of note was that the beneficiaries on whose behalf insurance might be effected were limited to the close relatives of the insured. One-fifth only of the face value of the policy was payable on the death of the assured, and the balance—with interest—was to be disbursed by annual instalments during a term of five years, or over a greater period of time, as the insured might determine.

The insurance policy could not be assigned or pledged as collateral security for a loan, and the money payable thereunder would be protected from the claims of creditors—either of the assured or the beneficiaries.

The insurance would be granted without medical examination and would, therefore, be open to everyone, irrespective of his or her state of health. The rates of premiums, though based on a recognised table of mortality, were slightly lower than those quoted by any regular life insurance company. If the insured should become disabled and incapable of earning a living, and if he was not in receipt of a pension, he would be entitled to be paid the face value, with interest thereon, in twenty annual instalments.

The Bill was introduced in the House of Commons on 22nd June, and, after consideration in Committee, was passed on 23rd June.

INCREASED INDEMNITY OF MEMBERS OF PARLIAMENT.

An Act, which was assented to on 1st July, 1920, amends the Salaries Act and the Senate and House of Commons Act for the purpose of raising the salaries of Ministers and the sessional indemnity of members of the Senate and House of Commons.

The Act raises the salary of the Member of the King's Privy Council, holding the recognised position of First Minister, to \$15,000 per annum, that of the other Ministers to \$10,000 per annum, and that of the Solicitor-General of Canada to \$7,000 (Sec. 1). The following salaries are also payable :—

- (A) To the Speaker of the Senate the sum of \$6,000 per annum.

(b) To the Speaker of the House of Commons the sum of \$6,000 per annum.

(c) To the Deputy-Speaker of the House of Commons the sum of \$4,000 per annum (Sec. 3).

The Act further provides that for every Session of Parliament which extends beyond fifty days there shall be payable to each member of the Senate and House of Commons attending at such session a sessional allowance of \$4,000. A member shall not be entitled to the allowance if he does not attend a sitting of the House on at least three-fourths of the days upon which such House sits; but the allowance for any less number of days shall be \$25 for each day's attendance. A deduction at the rate of \$25 per day shall be made for every day beyond fifteen on which the member does not attend a sitting of the House, if the House sits on such days. This deduction shall be made for every day on which a member does not attend a sitting of the House during the last two weeks of any Session of Parliament. Each day when the member is in the place where the session is held (*i.e.*, within ten miles), but is by reason of illness unable to attend, shall be reckoned a day of attendance.

It is also provided that when a person is member for part only of a Session, but has attended on three-fourths of the days upon which the House sat, he shall be entitled to his sessional allowance subject to a deduction of \$25 for each sitting day of such Session before he was elected or after he ceased to be a member. Otherwise he shall be entitled only to \$25 for each day's attendance.

In each Session of less than fifty days' duration each member shall be allowed \$25 for each day's attendance.

To the member occupying the recognised position of Leader of the Opposition in the House of Commons, there shall be payable in addition to his sessional allowance an annual allowance of \$10,000 (Sec. 5).

DEBATE IN HOUSE OF COMMONS.

Moving the Second Reading of the Bill on 29th June, **The Prime Minister (The Right Hon. Sir Robert Borden)** said that at a recent debate he had stated with perfect frankness his belief that the indemnity of members at the present time was too low. Immediately after Confederation the indemnity of Members of Parliament was fixed at the sum of \$1,000; at that time the Sessions being very short, lasting about six weeks or two months. During the Session of 1901 the indemnity was increased to the sum of \$1,500. It remained at that sum till the first Session after the general election of 1904, when it was increased to \$2,500. The tremendous increase in the cost of living, the increase also in the length of Sessions, could not have been foreseen at that time. Hence, it was anticipated that no further increase of the indemnity would be necessary for a generation at least.

The legislation of that year also embodied a proposal for a special sessional allowance to the Leader of the Opposition. He took the position that if any allowance was to be

made to the man holding the very responsible position of Leader of the Opposition, he ought to be placed upon the same basis as that accorded to Ministers of the Crown. That was the course then taken, and that was the course which they proposed to take in this Bill.

The Sessions of this Parliament averaged about 18 or 19 weeks in the year. They were necessarily held at a period of the year when men engaged in business activities were inevitably taken away from their work and for that reason were obliged to make provision by the employment of other persons, or otherwise suffer serious detriment in their business.

Comparing the other Dominions, the Prime Minister stated that the indemnity of Members in the Parliament of Australia had been fixed during the present year at £1,000, having been raised to this sum only a few weeks ago from £600. In the United States of America each member of the House received an annual compensation of \$7,500. The increased cost of living which rested upon Members of Parliament, just as it rested upon everyone else in the country, had been so considerable during the past two or three years that they had felt called upon to increase the salaries and allowances of civil servants by way of bonus to an amount not less than \$17,571,723. He had reached the conclusion (after discussing a bonus) that if there was a real grievance in the smallness of the amount of indemnity at present it would be best to deal with the matter now, once and for all, and endeavour to fix the indemnity of Members of Parliament at a figure which would not need to be disturbed for the next fifteen or twenty years. They expected naturally to have more men of the labouring class in Parliament than they had at present. It had been said to him by some representatives of Labour that such a man could not under present conditions afford to come into the House of Commons. He thought it desirable in the interest of increased representation of Labour, that the present indemnity should be increased.

Salaries of Ministers.

The Prime Minister pointed out that in 1905 the only change made was provision for an additional salary of \$5,000 to the Prime Minister. These salaries were fixed at the time of Confederation and they had remained at the same figure ever since. Sir Robert proceeded to inform the House of the salaries which prevailed in other parts of the Empire* :—

Australia —				£
Prime Minister	..	..	..	2,900
Ministers	..	..	..	2,450

* See pages 702, 739, 762.

New Zealand—				£
Prime Minister	..	..	..	1,600
Ministers	..	..	..	1,000
South Africa—				
Prime Minister	..	..	..	3,500
Ministers	..	..	..	2,500
United Kingdom—				
Prime Minister	..	..	..	5,000
Secretaries of State and certain				
other Ministers	..	..		5,000
Attorney-General	..	..		7,000
Solicitor-General	..	..		6,000
Lord Chancellor	..	..		10,000

An amendment was proposed in the law such as would make it unnecessary for the Prime Minister to hold any portfolio. Whether he held a portfolio or not he would receive a salary of \$15,000 as Prime Minister.

The Hon. W. L. Mackenzie-King (*Liberal, Leader of the Opposition*) agreed that the amount which was being paid at the present time to hon. members of the House was not sufficient adequately to indemnify them, having regard to the increase in the cost of living, to the changed conditions of the times, and more particularly to what the public was entitled to expect of hon. members if they gave the time and thought to the public business of the country in a manner which was worthy of it. He agreed entirely with the view which his right hon. friend (Sir Robert Borden) had expressed about the desirability of not making this Parliament a rich man's preserve. He thought it was much in the public interest that in so far as might be possible members of Parliament and Ministers of the Crown should be placed in the same position as they had placed judges, where they could be removed from any temptation, and feel free to discharge their duties in an honest and independent manner.

Mr. Mackenzie-King declared, however, that these increases should not take effect during this Parliament, but should come into effect after a general election, when the country had had an opportunity to return to Parliament members in whom it had confidence under the new legislation as passed.

The Hon. T. A. Crerar (*Independent, Marquette, Man.*) said that while their present indemnity, compared with that paid by other countries, was low, nevertheless it seemed to him that the present moment was not an opportune time to make the change. He believed that for the future welfare of their country the first essential in the financial way was to

bring their expenditure within their income. They had also to keep in mind the condition of unrest that existed. The returned soldiers had made demands for further gratuities. He believed that the consensus of opinion in the House, and largely in the country, was that these requests could not be considered because the country could not stand the thing financially. But when they were in such a position that they had to refuse the requests of these men, somehow he could not bring himself to accept the point of view that at the same time they should, on the other hand, increase their own indemnities.

He had no hesitation in saying that Ministers' salaries should be increased, and increased at once. It was a reflection on Canada that the salaries of Cabinet Ministers had remained at the same point for the last fifty years. They should make it possible for the humblest in the land who had ability and who possessed the confidence of their fellow-men to be elected to Parliament and to hold offices in the Ministry.

Mr. Michael Clark (*Independent, Red Deer, Alta.*) was of opinion that an election could not settle the question, and if it came to be a question as to the proper time to do it, he should say that the high moral and courageous course was on the part of men who did it when a Parliament was comparatively near its end.

The Hon. Rodolph Lemieux (*Liberal, Maisonneuve, Que.*) stated that from time immemorial the members of the British House of Commons did not receive a red cent as indemnity. But one must not forget that in England they had leisured classes and men of means, and as a result the administration of the affairs of the people was left in the hands of a small privileged group. But as time went on public opinion decided that by a broader and more liberal franchise the masses of the people should have direct representation in Parliament. Thereupon that great Liberal statesman, Sir Henry Campbell-Bannerman, as Prime Minister, without consulting the people, but gauging public opinion rightly, presented a measure, to which no exception was taken, granting an indemnity to the members of the historic British House of Commons, which since its inception had never known the word indemnity or salary.

He did not wish members of Parliament to be the creatures of big interests or to rely on a party fund coming from mysterious sources. Let them extirpate the corruption which the party fund at a general election engendered, created and perpetuated.

After further discussion and consideration in Committee the Bill was passed on 29th June.

DEBATE IN THE SENATE.

Speaking in Committee on 30th June,

The Leader of the Senate and Minister of Civil Re-establishment (Hon. Sir James Lougheed) stated that heretofore the office of the Prime Minister had not been dealt with as a distinct office; it had always been dealt with as that of a member of the Council holding the office of Prime Minister, and had necessitated his having a portfolio. Under the present Bill it was not necessary that the Prime Minister should be designated as holding a specific portfolio. The salary was voted to the office of Prime Minister.

The Hon. H. Bostock (Leader of the Opposition) asked whether this did not amount to a change in the Constitution—in this way, that under their Canadian Constitution and also under the traditions of the British Constitution the Prime Minister had been looked upon simply as a member of the Cabinet whom the other members had agreed to work with, and who, of course, had been called upon by the King to form a Cabinet. No recognition was given to him as Prime Minister. He accepted a portfolio either as First Lord of the Treasury in England, or in Canada as President of the Council. Now they were going to adopt an altogether different programme, as it were: the Prime Minister was Prime Minister without any portfolio.

The Leader of the Senate replied that they recognised him as holding that office. He thought it was a distinct improvement in their Constitution.

After further discussion in Committee the Bill was read a third time and passed by the Senate.

DOMINION ELECTIONS ACT.

A summary of the Dominion Elections Bill, dealing with the election of members of the House of Commons and the electoral franchise, as introduced in the House of Commons on 11th March, 1920, was given in the JOURNAL OF THE PARLIAMENTS OF THE EMPIRE, Vol. 1, No. 2, page 337. The Bill received the Royal assent on 1st July, 1920; and the principal amendments passed will be summarised in the next issue of the JOURNAL.

AUSTRALIA.

Commonwealth Parliament.

The following summary of the proceedings of the First Session of the Eighth Commonwealth Parliament (which opened on 26th February, 1920) is in continuation of the summary commenced in the last (July) issue of the JOURNAL.*

ADDRESS TO THE PRINCE OF WALES.

On the 27th May, 1920, the Prime Minister (the Rt. Hon. W. M. Hughes) having announced the arrival of the Prince of Wales, His Royal Highness was conducted to the Chair of the Senate by the Minister for Repatriation (Senator the Hon. E. D. Millen).

The President of the Senate (Senator the Hon. T. Givens) thereupon read and presented an Address.

The Prince of Wales delivered a reply and subsequently visited the House of Representatives, when the Prime Minister (the Rt. Hon. W. M. Hughes) conducted His Royal Highness to the Dais.

The Speaker (Hon. Sir Elliot Johnson) then read and presented to His Royal Highness a copy of the Address.

DEFENCE POLICY.

(Suggested Imperial Council.)

In the House of Representatives on 18th August, 1920,

The Hon. W. G. Higgs (Independent, Capricornia) asked the Prime Minister whether, with a view to Australia having a more immediate and adequate voice in the direction of Imperial Defence policy, the Government was prepared to advocate the formation of an Imperial Council of Defence consisting of representatives from the Parliament of the United Kingdom together with a representative from each of the self-governing Dominions; the representatives to be members of Parliament elected on the suffrage of the more popular House, to be appointed by their respective governments, to hold office during the life of the government (being eligible for reappointment); each oversea representative to make himself acquainted with foreign politics and to visit at least once a year the Dominion which he represents.

* Through a clerical mistake, the date of the opening of the Session was given in the last JOURNAL as 26th March instead of 26th February.

The Treasurer (the Rt. Hon. Sir Joseph Cook) requested that the question should be postponed till the defence policy of the Commonwealth was definitely formulated, when a comprehensive statement would be made.

NEW GUINEA MANDATE BILL.

This is a Bill for an Act to make provision for the acceptance of a Mandate for the government of certain Territories and Islands in the Pacific Ocean, and to make immediate provision for the civil government of these Territories and Islands, and was introduced in the House of Representatives on 19th August, 1920.

The Preamble recites that by the Treaty of Peace with Germany, signed 28th June, 1919, Germany renounced in favour of the Principal Allied and Associated Powers all her rights and titles over the Territories and Islands formerly constituting German New Guinea (which includes Kaiser Wilhelm's Land, the Bismarck Archipelago, the German Solomon Islands, the Admiralty Group, and all other German Pacific Possessions south of the Equator other than the German Samoan Islands and the Island of Nauru) and now occupied by the Commonwealth. It having been agreed by the representatives of the Principal Allied and Associated Powers that, under the Covenant of the League of Nations, a Mandate for the government of these Territories and Islands should be conferred on the Commonwealth of Australia, with full power to administer the same, subject to the terms of the Mandate, as an integral part of the Territory of the Commonwealth, the Act makes provision for the acceptance of the Mandate, and immediate provision for the civil government of the said Territories and Islands.

THE TERRITORY.

The Territories and Islands, specified in the Preamble, are declared to be a Territory under the authority of the Commonwealth, by the name of the Territory of New Guinea.

The Governor-General is authorised to accept the Mandate for the government of the Territory when issued to the Commonwealth under the Covenant of the League of Nations.

ADMINISTRATION.

An Administrator, appointed by the Governor-General, shall be charged with the duty of administering the government of the Territory on behalf of the Commonwealth, and shall hold office during the pleasure of the Governor-General. He shall exercise his powers according to the tenor of his commission and to such instructions as are given by the Governor-General. The Governor-General may authorise the Administrator to appoint a deputy or deputies within any part of the Territory, with such powers as he thinks fit, subject to any limitations or directions given by the Governor-General.

LAW AND ORDINANCES.

Except as provided in this or any Act, the Acts of the Parliament of the Commonwealth shall not be in force in the Territory unless expressed to extend thereto, or applied to the Territory by Ordinance.

Until the Parliament makes other provisions for the government of the Territory, the Governor-General may make Ordinances having the force of law in the Territory. Any such Ordinance shall be laid before both Houses of Parliament within fourteen days of the making thereof; and if either House passes a resolution disallowing an Ordinance, such Ordinance shall thereupon cease to have effect.

GUARANTEES.

(1) Slave Trade is prohibited in the Territory.

(2) No forced labour shall be permitted except for essential public works and services, and then only for adequate remuneration.

(3) Traffic in arms and ammunition shall be controlled in accordance with the principles contained in the Convention signed at Brussels on 2nd July, 1890, and known as the General Act of the Brussels Conference, or any Convention amending the same.

(4) The supply of intoxicating spirits and beverages to the natives is prohibited.

(5) The military training of the natives, otherwise than for purposes of internal police and the local defence of the Territory, is prohibited.

(6) No military or naval base shall be established or fortifications erected in the Territory.

(7) Freedom of conscience, and subject to the provisions of any Ordinance for the maintenance of public order and morals, the free exercise of all forms of worship shall be allowed in the Territory.

REPORT TO LEAGUE OF NATIONS.

The Governor-General shall make an annual report to the Council of the League of Nations containing full information as to the measures taken to carry out the requirements in regard to the guarantees, and as to the well-being and progress of the native inhabitants of the Territory.

A report of the debates in the House of Representatives and the Senate will be given in the next issue of the JOURNAL.

AUSTRALIAN REPRESENTATIVE AT WASHINGTON.

The Minister for Repatriation (Senator the Hon. E. D. Millen) on 12th May replied in the affirmative to a question by Senator T. J. K. Bakhap (*Tas.*) whether, in view of the reported appointment by Canada of a Minister Plenipotentiary at Washington, it was the intention of the Commonwealth Government to secure similar representation at the capital of the United States of America.

AUSTRALIAN TRADE COMMISSIONERS.

On the motion of Senator H. E. Foll (*Queensland*) the Senate, on 5th August, resolved that Australian Trade Commissioners should be appointed in various centres of the world where their presence is likely to be of benefit to Australian export trade, and that a message be sent to the House of Representatives requesting its concurrence therein.

OIL AGREEMENT ACT.

This Act, which was assented to on 29th May, 1920, gives approval to the Agreement made between the Commonwealth and the Anglo-Persian Oil Company, Ltd., for the purpose of creating and developing in Australia the industry of refining mineral oil.

The Agreement, which is dated 14th May, 1920, came into operation on its approval by the Commonwealth Parliament.

Formation of Refining Company.

The Anglo-Persian Oil Company is to form and register in the State of Victoria, within 90 days of the commencement of the Agreement, a Refinery Company with limited liability and a capital of £500,000 in shares of £1 each; the Commonwealth to subscribe 250,001 shares and the Oil Company 249,996 shares, and 3 shares for its nominees. Any alteration of the Memorandum and Articles of Association shall be subject to the approval of the Commonwealth and shall provide the manner in which and the times when capital may be called up. On any increase of capital the Commonwealth shall be entitled to subscribe so much capital and be allotted so many shares that at all times the Commonwealth will hold a majority in number and value of the shares. Of the total number of Directors of the Refinery Company (including the Managing Director if he has a vote), three-sevenths in number shall be nominated by and represent the Commonwealth, and four-sevenths by the Oil Company.

The Refinery Company shall not enter into or be in any way concerned in or a party to or act in concert with any commercial Trust or Combine, but shall always be and remain an independent British business. Other things being equal, the Refinery Company shall give preference to goods manufactured in the Commonwealth when purchasing machinery plant and supplies, etc.

Objects of Refinery Company.

(A) Creation and development in Australia of the industry of refining mineral oil.

(B) Erection, equipment and operation of a modern refinery or refineries in Australia.

(C) The sale and disposal of the products.

(D) Such other incidental objects as shall be approved by the Commonwealth and the Oil Company. Immediately after registration the Refinery Company shall erect and operate a modern refinery.

Management.

The technical and commercial management of the Refinery Company shall be left entirely in its own hands.

Supplies of Crude Oil.

Until the Refinery is in operation, the Oil Company is to use its best endeavours to secure adequate supplies of oil products to Australia at reasonable prices.

The Commonwealth shall supply the Refinery Company with crude oil obtained in the Commonwealth, or in any Territory under its authority

or over which it has a mandate, for refining up to 200,000 tons a year as it becomes available. Until indigenous oil is available the Oil Company shall supply the crude oil required up to the above quantity.

Price Payable for Crude Oil.

The price payable by the Refinery Company to the Commonwealth and to the Oil Company respectively for crude oil shall be based upon the contents of the oil, and when supplied by the Commonwealth is to be a price f.o.b. at the port of shipment, and when supplied by the Oil Company the price is not to exceed the f.o.b. price paid by the British Government to the Oil Company for crude mineral oil. The Oil Company is to make all arrangements for freight at current rates to the port of discharge in Australia, provided the Commonwealth shall have the option of making the freight arrangements if it can do so at a lower rate. The Commonwealth is to make all the arrangements for freight at current rates in respect of indigenous oil. The price for crude oil when fixed shall continue for a period of two years.

Protection of Refinery Company.

The Refinery Company shall sell its oil products at such prices as are fair and reasonable. So long as the prices charged by the Refinery Company for its products are considered by the Commonwealth fair and reasonable, but not further or otherwise, the Commonwealth shall take the necessary action to prevent dumping and unfair competition by importers of refined oil from other countries; refund to the Refinery Company any Customs duty paid upon the importation of crude oil purchased from the Oil Company and refined in Australia; and introduce into the Commonwealth Parliament, supported as a Government measure, a Bill providing for the imposition of Customs duty on crude mineral oil whenever in its opinion such action is necessary or advisable to prevent unfair competition with the products of crude oil refined in Australia by the Refinery Company.

Sale of Products outside Australia.

The Oil Company shall act as the marketing agent of the Refinery Company for the sale outside the Commonwealth and its territories of the products, and shall be paid by the Refinery Company a commission of 10 per cent. on the gross sales.

Option of Acquisition by Commonwealth of Whole Interest in Refinery Company.

The Commonwealth shall have the option of purchasing the whole of the Oil Company's interest in the Refinery Company at the expiration of 15 years from the completion of the first refinery, the purchase price to be determined by a valuation made by two independent valuers, one appointed by the Commonwealth and the other by the Oil Company, such valuers to have power in case of disagreement to appoint an umpire approved by the Commonwealth and the Oil Company, such umpire's decision to be final and conclusive.

Registration in Australia of Anglo-Persian Oil Company.

The Anglo-Persian Oil Company shall become registered as a Company doing business in Australia, and maintain a registered office and representative in Australia who may act on its behalf.

Disagreements.

In the event of any disagreement between the Commonwealth and the Anglo-Persian Oil Company, the matter is to be referred to one arbitrator mutually selected, or, failing mutual selection, by arbitration under the Arbitration Act of 1915 of the State.

DEBATE IN HOUSE OF REPRESENTATIVES.

The Prime Minister (the Rt. Hon. W. M. Hughes), in moving the Second Reading of the Bill (6th May), after referring to the important part played by oil in modern economic and national life and its vital need to Australia for national defence and other purposes, said that the quantity of shale oil produced, of which they had had some experience in Australia, as compared with the volume of oil consumed in the world, was so small as to be for all practical purposes negligible.

In Australia, despite the increase in 1917 to 2½d. per gallon of the bonus to Australian Companies producing crude oil from shale, the production of oil was only about 2,800,000 gallons per annum, whilst the consumption of oil and its derivatives was 52,000,000 gallons. Australia must have oil for her defence and her industries. They had no oil of their own and no assurance of adequate supplies from overseas. All their supplies came from foreign nations and from companies whose actions, he supposed, were governed by commercial principles, and who would sell or refuse to sell, as the mood, opportunity, or inducement suggested. The position could hardly be said to be satisfactory.

Oil in Australia.

They firmly believed—he did, at any rate—that they would find oil in Australia or in one of their Territories. He believed there were abundant signs for those who had faith that they were going to find oil. But when it was found, it would be useless unless they could refine it. If oil were then found in New Guinea they could not use it until it was refined, and it would take two years to build a refinery. Crude oil could not be used, so that, if for no other reason, means should be provided for refining oil. Canada, with far less need to erect refineries than Australia, had fourteen of them, seven having been erected since 1914, and these had a total capacity of 1,500,000 gallons a day. Mr. Hughes also referred to the increase in the price of oil, and to the operations of the Anglo-Persian Oil Company and the other principal oil companies of the world.

Danger of a Monopoly.

The Hon. F. G. Tudor (Leader of the Opposition) said he would not vote for any monopoly but a Government one. He was not prepared to hand over to the Anglo-Persian Oil Company or any other Company the whole of the oil trade of Australia, whether it be required for fuel, illuminant, or power. It was said that the Companies then supplying Australia's requirements had Australia in the hollow of their hands, and could squeeze as they liked. He had no brief for these Companies, but he was not prepared to hand the people of Australia over to another Combine which was no better than that which then existed. Once Australia handed itself over to the Anglo-Persian Oil Company there was no need for the Company to do anything so far as Papua was concerned. They could defy the Government and use their own oil, and could charge what they liked in freight.

He also objected to the agreement giving Australia three directors and the Anglo-Persian Oil Company four. What was the advantage to the Commonwealth of holding a majority of the shares? If the Commonwealth had four directors it would be in a better position, but even then they would not be in as good a position under the agreement as he thought they were entitled to hold. If Australia got 200,000 tons of crude oil from the Oil Company it would mean 72,000 tons of fuel oil, 40,000 tons of benzine, and 33,000 tons of kerosene.

The Prime Minister : "The commodities mentioned other than fuel will be sufficient to supply only one half of our requirements. Therefore the enterprise will not be a monopoly."

Mr. Tudor, continuing, said they had no right to hand over to the Anglo-Persian Company all the profits accruing from the enterprise, and to allow them to run it just as they chose.

Further Objections.

The Hon. Sir Robert Best (Nat., Kooyong) said his chief objection to the agreement was that if it should prove more profitable to the Company to import its own crude oil the chances of the early and vigorous exploration and development of the Australian oilfields in Papua or elsewhere were discounted; and when he remembered that under the terms of the agreement all the producers' profits and those derived from the freightage of the crude oil imported, together with a proportion of the profits made by the refinery, belonged to the Anglo-Persian Oil Company, he perceived that the chance of developing the Australian oilfields was all the more remote.

It was claimed that they were giving the Company a monopoly; but their ultimate protection in that regard

lay in the fact that at the end of fifteen years the whole enterprise might be taken over by the Commonwealth; and if by that time the refinery had been a commercial success, and they had had the good fortune to get the Australian oil-fields developed, he thought they were justified in paying for that success by a degree of concession to the oil people, who were spending their own capital with that object in view.

Dr. Earle Page (Farmers' Union, Cowper) agreed that it was essential that there should be a refinery established in Australia before oil was found; otherwise there might possibly be enormous wastage. He was glad that there was to be an opportunity for the Anglo-Persian Company to place its surveyors, prospectors, and trained engineers at the disposal of the Commonwealth Government in order to try to locate that big oilfield which, he was satisfied from his experience of Papuan residents, actually existed in New Guinea.

The Second Reading was agreed to by 36 votes to 19. A motion by the Hon. F. G. Tudor (Leader of the Opposition) that the Bill be referred to a Select Committee was negatived by 31 votes to 20.

The Bill was read a third time on 18th May.

DEBATE IN THE SENATE.

A New Principle.

The Minister for Defence (Senator the Hon. G. F. Pearce) said that the principle embodied in the measure was a new one to Commonwealth activities, because its object was to bring about a partnership between the Commonwealth Government and a private business company. The recent war had demonstrated that, for defence purposes alone, oil was a prime necessity. It was the life-blood of the Navy. Without oil a modern Navy could not exercise in peace or fight in war. Oil was also essential in aviation. Practically the whole of the supply then coming to Australia was in the hands of private companies which might be broadly grouped under three headings, namely, the Standard Oil Company, the Royal Dutch Shell Group and the Anglo-Persian Company. The principal suppliers to Australia were the Standard Oil Company, the Shell Group and the Texas Oil Company. Out of 5,811,824 gallons of residual or fuel oil imported during the year ended June, 1919, all but 40,000 gallons were supplied by the Shell Group, while out of 7,444,097 gallons of lubricating oil, all but 100,000 gallons came from the American Companies. Again, out of 16,672,963 gallons of kerosene and burning oils 14,548,123 gallons came from the United States and from the companies operating there.

In 1913 a Bill was passed by the British Parliament under which Britain became possessed of a controlling interest in the Anglo-Persian Company, which had a capital of £20,000,000. The Imperial Government had invested in the Company £5,000,000 and its holding was then estimated to be worth £50,000,000.

The Company had holdings and oilfields in Persia, Timor, Mesopotamia, Africa, Trinidad and Borneo. It possessed a fleet of tank steamers, totalling 230,000 tons, which would shortly be increased to 500,000 tons. All the shares in the parent company, other than those owned by the Imperial Government, were held by British citizens. That was an important factor.

Senator Pearce referred to the arrangement which had recently been entered into whereby the Imperial and Commonwealth Governments jointly share the expense of the exploitation of the Papuan oilfields. He pointed out that the Anglo-Persian Oil Company had been brought into this scheme to carry out boring operations, etc., but without any financial interest.* The Commonwealth Government had also offered a reward of £10,000 to any one who could discover oil in the Commonwealth, and the Prime Minister had recently announced that the reward would be increased to £50,000† if oil were discovered in payable commercial quantities.

The Constitutional Aspect.

Senator the Hon. J. H. Keating (*Tasmania*) questioned the constitutional competence of the Commonwealth to enter upon the enterprise. Hitherto they had been accustomed to regard the Commonwealth, as such, as constitutionally incompetent to enter upon matters of trade by way of production or sale except in so far as was necessary for the Commonwealth Government's own requirements. The production of fuel oil was estimated at 72,000 tons and of that quantity the Navy would require 50,000 tons, leaving a surplus of 22,000 tons for sale by the Commonwealth. He was afraid that such a quantity could scarcely be regarded as an incidental surplus.

He also referred to the provision in the agreement that so long as the prices charged by the Refinery Company for its products were considered fair and reasonable the Commonwealth would do certain things, pointing out that it seemed

* Under this arrangement the whole work of prospecting for oil in Papua is handed over to the Anglo-Persian Oil Company, which has authority to carry on operations to the extent of £100,000 equally subscribed by the Governments concerned. Any expenditure exceeding that amount must be specially sanctioned.

† The reward has since been increased to £50,000.

rather loose and vague. If the legal representatives of the other party to the agreement were satisfied with it, they had either overlooked it, or they were eager enough to seize the agreement as soon as they could get it.

The Bill passed the Senate without amendment on the 20th May.

GOVERNMENT CONTROL OF SUGAR.

(White Australia Policy.)

The Prime Minister on the 17th March, 1920, laid before the House of Representatives the terms of the Agreement entered into between the Queensland and Commonwealth Governments for the purchase by the Commonwealth of the Queensland sugar crop, and made a statement relative to the position in regard to sugar.

The Prime Minister (the Right Hon. W. M. Hughes) said there had existed, for the past five years, between the Governments of Queensland and the Commonwealth, an agreement whereby the Queensland Government acquired the crop of sugar cane grown in that State, and the Commonwealth Government arranged for the refining and distribution of the sugar. Originally the price of raw sugar was fixed at £18 per ton, 94 per cent. net titre; but during the past two years the price had been £21 per ton. It had been represented to the Government that, owing to the increased cost of production, resulting from the increase in wages paid in the industry, which were responsible for 80 per cent. of the total cost of production, this price was now inadequate, and recently a deputation had waited upon him to ask that it might be raised to £30 6s. 8d. per ton. This request raised a question of very grave importance to the citizens of the Commonwealth.

Sugar growing was an industry which occupied a peculiar position in Australia. No other industry was so directly connected with the "White Australia" ideal, to which all political parties, and at least 95 per cent. of the citizens of the Commonwealth, were committed—he hoped irrevocably. It would be remembered that many years previously Parliament determined upon a policy for the encouragement of growing sugar in Queensland with white labour, and thus silently, but surely, had effected a great industrial reformation. It was said at the time that sugar could not be grown successfully with white labour, but events had shown this prognostication to be ill-founded. White-grown Queensland sugar could, but for Customs duty, compete successfully against the black-grown sugar of Natal before the war.

Of course, the tremendous increases in prices caused by the war had created in Australia, as elsewhere, an entirely new position. Australia was to be congratulated upon the condition she had enjoyed under the agreement. During the past five years it had insured the consumers in the Commonwealth an abundant supply of sugar at 3½d. per lb. In Great Britain, as in most other belligerent countries, sugar had not only been very expensive, but very scarce. Sugar then cost in America between 23 and 25 cents per lb. In England it was somewhere about 7d. to 9d.

Owing to causes over which the Queensland grower had no control, the supply of locally-grown sugar had, during the last two seasons, been insufficient for the requirements of Australia, and it had been necessary to import. Therefore in considering the sugar problem they had to consider the world's price. The Commonwealth Government was selling sugar at £27 7s. 6d. per ton, while it was paying £81 for the imported sugar. The alternative to continuance of the agreement would be to refuse the proposals of the Queensland grower and allow him to get the world's parity, leaving private enterprise to supplement the next crop's shortage, estimated to be somewhere between 100,000 and 130,000 tons—and leaving the consumer to pay the world's price, which, retail, would be about 1s. per lb. or more.

A Conference consisting of representatives of the two Governments concerned, the growers, the millers and the workers, had discussed the situation. The Conference assumed that a substantial increase would take place in the labour costs as the result of the impending State award, and it considered, therefore, that the price for raw sugar should be £30 6s. 8d. per ton for 94 per cent. titre.

It was decided that, of the increased amount, £5 6s. 8d. should be allocated to the cane growers and £4 to the millers. It was agreed that the contract between the two Governments should be for not less than three years, the fixed price for the first year to be £30 6s. 8d. for raw sugar, and that such price should be the minimum for each of the succeeding years. It was also agreed that a council consisting of representatives of the two Governments, cane-growers, millers and workers, should, in February of each year during the currency of the agreement, review the price, and, if it thought fit, grant an increase, provided that such increase should, in any case, not exceed the increased cost of production due to higher wages paid to the workers through the increased cost of living.

On the 30th March, Mr. Hughes, discussing the price of sugar, said the position was—(1) that the price then charged for sugar to the public was very much lower than the price paid by the Government for the sugar ; (2) that the high priced

imported sugar was the only sugar available for the next four months; (3) that the Commonwealth would make a loss of nearly £1,000,000 by selling sugar at 6d.; and (4) that it could only afford to do so if it acquired the Queensland crop at £30 6s. 8d., pooled it with the foreign sugar, and sold it at a uniform price. It was estimated that the next season's Queensland and New South Wales sugar crop would not exceed 145,000 tons. As the yearly consumption was over 280,000 tons, it was obvious that further purchases of foreign sugar must be made in order to supply the community until the 1921 crop was available.

The quantity necessary would be anything from 110,000 to 130,000 tons. The price to be paid was quite problematical. If, however, the price paid enabled the Commonwealth to sell sugar at less than 6d. a lb. after 1st March, 1921, it would certainly do so. If the sugar-grower got even one-half of the then world's price, he would receive more than the price he was willing to take. He did that in return for a fixed price for three years. The industry was stabilised, and the grower was encouraged to increase his output. The sugar industry and the conditions formerly existing therein were chiefly responsible for the almost unanimous adoption of the policy known as "White Australia." Australians recognised that it was vital to the safety of Australia that the sugar lands of the great, rich, northern State of Queensland should be cultivated, and by white labour.

AUSTRALIAN-BUILT SHIPS.

The Minister for Home and Territories (Hon. A. Poynton) on 28th April, in reply to a question by the Hon. H. Gregory (Nat., *Dampier*), as to the average cost per ton dead-weight of the steamers of 5,000 tons and over built in Australia, stated that the cost of the two ships already constructed at Williamstown Dockyard, including interest on capital, depreciation, and overhead charges, worked out at about £29 per dead-weight ton. The cost of the vessels completed at Newcastle and Sydney in New South Wales was not then available.

INCREASED ALLOWANCES TO MEMBERS OF PARLIAMENT.

(Parliamentary Allowances Act.)

The effect of the Act, which received Assent on 22nd May, is to increase the allowances payable to all members of the Commonwealth Parliament from £600 to £1,000 per

annum, provided that in respect of Ministers of State, President of the Senate, Speaker of the House of Representatives, and Chairmen of Committees of the Senate or of the House of Representatives, the allowance shall be £800 per annum in addition to the emoluments of such office. In addition to the allowance of £1,000 the Leader of the Opposition in the Senate will receive £200, and the Leader of the Opposition in the House of Representatives, £400.

DEBATE IN HOUSE OF REPRESENTATIVES.

The Prime Minister (the Right Hon. W. M. Hughes), in moving the Second Reading (20th May), said that in 1907 the Commonwealth Parliament had dealt with the matter in exactly the same way as was then proposed, and deliberately exercised the powers with which it was clothed by the Constitution by raising the allowance of members from £400 to £600 per annum. In the British Parliament, the Mother of Parliaments, to which they looked as a very model of what was proper, the same course had been followed. That Parliament, which formerly had been an unpaid Legislature, deliberately brought in a Bill for the payment of members. The same course was followed in Canada. And every State Legislature of the Commonwealth had done likewise.

In New South Wales, payment of members had been agreed to many years back, and the allowance fixed at £300 per annum. That was increased in 1912 to £500. In Queensland the salary, which originally had been fixed at £300, had been increased in 1919 to £500. In Western Australia the salary, which had been fixed by Parliament at £200, had been increased in 1911 to £300. In Tasmania an increase had been made by the Legislature from £100 to £150, and subsequently to £250. In the United States of America the salary, which had originally been \$5,000, was increased in 1907 to \$7,500, that was to say, from £1,000 to £1,500. These precedents, to which might be added those of South Africa and New Zealand, were amply sufficient to show that the procedure which was being followed by the Commonwealth Parliament had been the practice all over the Empire, and in other countries.

The amount of the allowance set out in the Bill was £1,000, and a proviso brought up the allowance which Ministers of State, the President of the Senate, the Speaker of the House of Representatives, and the Chairmen of Committees in the Senate and House of Representatives were to receive, to an amount equal to the increase in the allowance to ordinary members.

The Bill provided that the Leader of the Opposition in the House of Representatives was to receive an allowance in addition to his salary, of £400 a year, and the Leader of the Opposition in the Senate, an additional allowance of £200 per year. The Leader of the Opposition in the House of Representatives had a difficult position to fill. While, perhaps, his correspondence was not equal in volume to that with which the Leader of the Government had to deal, it was most extensive. A very large number of the electors looked to him, wrote to him, and expressed their opinions to him, desiring, through him, to express them to Parliament. He occupied an office which was well recognised. He was the Leader of His Majesty's Opposition. Parliamentary government had long recognised the necessity for an Opposition, and it was about time they gave statutory authority to the office. It should have been done long ago. They would do it then.

The Bill did not deal with the salaries of Ministers as members, but left them still £200 less than the allowance to other members. He considered that the Prime Minister of the Commonwealth or Ministers would not be adequately paid by the increase in their allowance as members of the Parliament. He believed that honourable members and the overwhelming mass of the people would agree that whoever occupied the position of Prime Minister was entitled to a salary comparable at least with that of a departmental manager in a large wholesale house. It was not to the advantage of the Commonwealth that Ministers or members should be paid a salary inadequate to the services they performed and to the dignity of the office they filled.

Quite apart from the increase in expenses and the depreciation in the purchasing power of money, the point he would stress was that the services of those who spoke and acted for the people in regard to matters of vital importance would not be fairly remunerated with an allowance of £600 a year.

The Hon. F. G. Tudor (Leader of the Opposition) supported the measure. He pointed out that the wages earned by men in the trade which he had followed before he was in Parliament had more than doubled since he had been there, and the same thing applied to a great number of other trades.

The Second Reading was agreed to by 45 votes to 12, and the Bill was subsequently passed by the House of Representatives the same day with a minor amendment.

DEBATE IN THE SENATE.

The Minister for Repatriation (Senator the Hon. E. D. Millen), in moving the Second Reading (21st May), pointed out

that he then received £1,200 from the Cabinet, plus £400 to which he was entitled as a private member, making a total of £1,600. If he had remained a private member he would have been entitled to £600 as emolument, and he therefore received only an additional £1,000 in respect of his position as a Cabinet Minister. Senator Millen quoted particulars in regard to his expenses when travelling in other States (which expenses came out of his ministerial salary) and his income tax, all of which reduced his net ministerial income to £750 a year, although he had placed it at £800. Would any man say that it was not worth £800 to run a Repatriation Department? His case was typical of that of all the other Ministers. In South Africa, a country with a white population of 1,250,000, the Prime Minister was paid £3,500 a year and was provided with two official residences. In addition, there were nine other Ministers each receiving £2,500.

The Bill was passed by the Senate the same day.

WAR GRATUITY (AMENDMENT) ACT.

This Act, which received assent on 30th April, amends the Soldiers War Gratuity Act 1920 (*vide* p. 521 JOURNAL No. 3) by increasing the rate of gratuity from one shilling to one shilling and sixpence from date of enlistment up to 28th June, 1919, in respect of soldiers who died in camp in Australia, and those who embarked on active service after 10th November, 1918, or who are totally or permanently incapacitated as the result of such service. This provision also applies in the case of members of the Naval Forces who did not serve in sea-going ships.

NEW ZEALAND.

The Twentieth Parliament of the Dominion met for the despatch of business on 24th June, 1920, the Nineteenth Parliament having been dissolved on 27th November, 1919.*

GOVERNOR-GENERAL'S SPEECH.

(Debate on the Address.)

The speech of the Governor-General, the Earl of Liverpool, was delivered in the Legislative Council on 25th June, 1920.

The Prince of Wales' Visit.

Special reference was made to the visit to the Dominion of H.R.H. the Prince of Wales, His Excellency stating that much of the undoubted success of the visit was due to His Royal Highness himself, and His Excellency concluded his reference by saying : "The common allegiance of all parts of the Empire to the Crown is the strong bond of the union of its people ; and it is fortunate that His Majesty and His Heir have won a personal regard and respect, through and by means of which our loyalty is strengthened and the union of the Empire cemented and assured."

No Reduction in Taxation.

In addressing the House of Representatives, His Excellency stated that the public debt could not be materially reduced, nor the burden of the greatly increased interest and sinking fund which drained their revenue and compelled the levy of taxation at rates above anything in their experience before the war ; nor could they obtain from the English money-market the loan-moneys to meet the demands for works of all kinds, many of which were absolutely necessary, and their only recourse was to borrow within their own borders.

Profiteering : Legislative Council Act.

In addressing the members of both Houses, amendments were foreshadowed in the legislation passed in the two preceding sessions relating to the control of trade and the prevention of undue profits ; and reference was made to the fact that the date of the coming into operation of the Legislative Council Act, 1914, had been fixed by Proclamation since the last session of Parliament, and that the Act would come into force on 31st January, 1921 ; some amendments would, however, be submitted during that session.

* A cable which appeared in the London newspapers announced that Parliament had met on 25th June, and that date was therefore given in the last number of the JOURNAL.

The Samoan Mandate.

Under the powers conferred by the Mandate and by the legislation of last session, the Government of Western Samoa had been initiated in succession to the military rule which had controlled those islands since the occupation by New Zealand troops in the early months of the war. The Orders in Council which had been issued, providing a basis of law for the islands and for their government under New Zealand, would be placed before Parliament.

Industrial Unrest.

The Ministry invited serious consideration of methods to obviate the recurrence of industrial unrest. It was becoming apparent that the existing law for the settlement of industrial disputes was not altogether satisfactory to the unions of workers, who refused in many instances to adopt the settlement proposed.

The Governor-General's Leave-Taking.

In taking leave of both Houses, His Excellency stated that he had held office for a longer consecutive period than any of his predecessors, during which time the Empire had been confronted with the greatest war that had ever been waged. By the mercy of Providence the crisis had been successfully met, and they lived once again under the blessings of Peace. His earnest prayer was that New Zealand would always emerge triumphant from any difficulties which might beset her, and that her people would flourish great and true, ever mindful of the traditions which were the heritage and birthright of all who lived under the British flag.

Within fifteen days of the opening of Parliament three no-confidence motions came before the House, the first being moved by Mr. Holland, Leader of the Labour Party, on 29th June, when the House was going into Committee of Supply on the Imprest Supply Bill, and before the debate on the address in reply was taken; the second on 30th June (moved by the Leader of the Opposition, Mr. W. D. S. MacDonald), immediately after the address in reply had been seconded; and the third on the 8th July, during the debate on the address, when Mr. C. E. Statham (Independent, *Dunedin Central*) moved an amendment which the Prime Minister accepted as a no-confidence motion.

DEBATE IN HOUSE OF REPRESENTATIVES.**Labour-Leader's Motion.**

Mr. H. E. Holland (Labour, *Buller*), on the question that the House should go into Committee of Supply on the Imprest Supply Bill, moved on 29th June, as an amendment,

"That this House expresses its disapproval of (1) the failure of the Government to make adequate provision for the full representation of the people by means of a system of proportional representation; (2) the failure of the Government to effectively combat the high and increasing cost of living; (3) the failure of the Government to provide houses for the people; (4) the failure of the Government to ensure an adequate

coal and other fuel supply ; and (5) the failure of the Government to proceed with the necessary public works."

Mr. Holland said that the present Government, by reason of a defective voting system, represented a minority of the voters at the last General Election. If the voting at the General Election was analysed it would be seen that while the Reform Party polled slightly over 174,000 votes, they secured forty-one of the seats ; while the Liberal Party polled something over 150,500, they secured eighteen of the seats ; and the Labour Party, with slightly under 130,000 votes, secured eight seats. If the results had been according to the number of votes cast for the various parties, the Government would have twenty-five or twenty-six, the Liberal Party twenty-one or twenty-two, and the Labour Party at least nineteen in place of the eight men they had at that moment.

The very fact that the Government gave no indication whatever that it would attempt to remedy that blot would in itself be sufficient to condemn them. On a number of occasions, although the Government and the Liberal Opposition made a pretence of antagonism to one another, wherever in the General Election the fight was being made on fundamentals, they did not hesitate to join together in order to defeat Labour. The Labour Party asked the House to condemn the Government on its immigration policy, especially in housing matters.

Then, some time back the Government appointed an Industries Committee, which presented an admirable report recommending that the coal-mines of the country be taken over by the State and worked under a board system, the employees in the mines to have adequate representation on the board. Although the House unanimously adopted that recommendation, the Government had in no way moved to give effect to it. He would impress upon the House and upon the people the need of the immediate nationalisation of all the coal-mines of New Zealand.

The resolution was moved in order to give the House an opportunity, on specific charges, of expressing its disapproval of the minority representation of the Government, of the Government apathy and ineptitude with respect to the cost of living, coal supply, housing, and public works generally, together with other vital questions.

The motion was seconded by Mr. J. McCombs (Labour, *Lyttelton*) and, no other members having spoken, the House divided and the amendment was negatived by 39 votes to 16.

No-Confidence Motion follows the Address in Reply.

Mr. F. F. Hockly (Reform, *Roturua*) having moved in the House of Representatives, on 30th June, the address in

reply to the Governor-General's speech, and this having been seconded by Mr. D. Jones (Reform, *Kaiapoi*),

The Hon. W. D. S. MacDonald (Leader of the Opposition) moved the following amendment :—

“ That the following amendment by way of addition be made to the address in reply to His Excellency's speech : ‘ We feel it our duty to submit to Your Excellency that it is essential that Your Excellency's Government should possess the confidence of this House and of the country, and respectfully to represent to Your Excellency that such confidence is not reposed in the Government as at present constituted.’ ”

Mr. MacDonald said that the mover and seconder of the address in reply had stated that the speech was very optimistic. As far as the financial position was outlined, to his mind it was most pessimistic, and bordered on tragedy.

Prime Minister's Position.

The General Election took place on 17th December, 1919, and from then onwards the Prime Minister had not a full Cabinet ; even that day they were not aware of the portfolios held by the various Ministers. Special reference had been made to the able manner in which the Prime Minister had dealt with the labour problem. So far as the railways were concerned, he did not think the general opinion was that the honourable gentleman had dealt very ably with the labour problem. When people asked why he moved a vote of no confidence in the Government, it might be asked : “ Why does the Prime Minister discredit his own Ministers in the eyes of the country ? Why was the portfolio of Railways taken away from Sir William Herries ? ” He was not going to say for one moment that the Prime Minister was not capable of running the Railway Department, but they all knew that he had more work than he could perform, even to his own satisfaction. Early this year, when dealing with a deputation, he had said his hands were so full that he was not able to attend to the matter brought before him, and in answer to a question, “ Why not get more Ministers ? ” the Prime Minister had replied : “ I do not want any more Ministers ; give me six Secretaries and I can run the whole country.” In view of that statement one must conclude that there was but one man running the whole show, and that man was the Prime Minister himself. He was attempting the impossible, to the detriment of the country.

Need of Electoral Reform.

He wished to show the House and the people the anomalous position created by the existing electoral law. When the repeal of the Second Ballot Act was suggested, the Prime

Minister made a definite statement that he would substitute "something better" for it. That was some nine years ago, and there was not a word in the Governor-General's speech concerning electoral reform, except that which concerned the Upper Chamber. In answer to a question interpolated by Mr. Massey: "What do you want? Do you want proportional representation?" Mr. MacDonald said that he wanted "something better" than the second ballot as was promised. He wanted a Royal Commission or a Parliamentary Committee to go into the whole question of electoral reform and bring down a report next session. It was quite easy to prove from the election figures that the Government was holding office against the will of a large majority of the electors of the country, as out of 542,000 votes recorded, 206,000 were cast for Reform candidates, 196,000 for Liberal-Labour candidates, 127,000 for what they called "official" Labour candidates, and 12,000 for Independent candidates.

Resumption of Large Estates by the Crown for Soldiers.

A notable omission from the speeches of the mover and seconder of the address in reply was that there had been no reference to the large estates held by private owners. In his own district, which was one of the largest in the Dominion, and one which contained a number of large estates, several small areas had been purchased, but not one large estate had been acquired for the settlement of returned soldiers. They were getting into a state of "drift." They found numbers of men who had returned from the Front unable to get on the land because of the prohibitive price, and something should be done quickly.

Other Criticisms.

Mr. MacDonald also criticised Clause 32 of the Board of Trade Act, which provided that any person could lodge the most trivial complaint with the Board of Trade. This, he said, brought the whole Act into ridicule.

He had recommended to the Government the setting up of a monetary and currency commission, to endeavour to find a solution of a question which was troubling the whole world. By sitting still, the Government had no explanation to give to the people, and dissatisfaction and discontent was growing.

Another matter he thought the Government should have dealt with was shipping. He referred to the fact that Canada had since the beginning of the war contracted for over 359,000 tons of shipping, and that she hoped within the next few years to have ships going into all the seaports of the world. They had done nothing in that direction. The ex-Minister of

Railways knew that he had consistently urged that colliers should be obtained for the State Railway Department.

Sir Joseph Ward and a State Bank.

A strong attempt had been made to discredit Sir Joseph Ward because of his advocacy of a State Bank, and he had been grossly misrepresented in that connection. Sir Joseph Ward did not want to nationalise the Banks. What he had suggested was the establishment of a State Bank in order to break the monopoly which existed, and to provide for competition between the Banks, which did not exist that day. The Government had dismally failed to deal effectively with important questions, such as electoral reform, sub-division of large estates, soldiers' settlement, industrial unrest, the cost of living, shipping, railways, coal, and the housing questions.

Mr. H. E. Holland (*Labour, Buller*) said he had predicted that when the Labour Party moved its motion of censure on the Government the Liberals would not vote with them; his prophecy had been verified, as with the exception of a few of the more intelligent of them, the Liberal Party had left the Chamber rather than vote against the Government on the Labour Party's no-confidence motion. The Labour Party would support the present motion, because they were always consistent. With regard to the speech of the Leader of the Opposition, he said there was never a weaker offensive launched against a real or imaginary foe. What was being voiced was the forlorn attempt of a party destitute of both policy and principle, a party with neither soul nor vision. There was no act of the National Government that the Liberal Party was not as much responsible for as the Reform Party. They stood alike for class interests. Honourable Members had come with their cries of disloyalty against the Labour Party, and yet the Prime Minister and Sir Joseph Ward, the then Leader of the Liberal Party, went to England and fixed up a 55 per cent. increase in the price of wool, with the result that the wool capitalists of the country had made well on towards £20,000,000 war profits on wool alone.

Nauru Island.

He had seen articles quoted from the English papers by Australian correspondents which set forth that "the mandate for Nauru nearly upset the Peace Conference," and one writer had made reference to the members of the phosphate company, saying that they wanted £3,000,000 for their "rights," but the writer declared: "They have not a scrap of paper to show a title to one inch of land, their title to Nauru Island being received from the German Emperor."

The native chiefs of Nauru in Council had handed to the Administration a petition to be forwarded to King George, and a copy had been sent to Mr. Joseph Devlin, M.P., summarising the unfortunate experiences of the natives under German rule, and since its overthrow. The Germans had only paid the natives 1s. 2d. per ton, and the same injustice was being perpetuated by the British. The chiefs asked to have the facts investigated by British and Australian Labour Members, and submitted that the phosphate company was in illegal possession of the island, and that the removal of the phosphate was illegal, because unauthorised by the native chiefs. The petition had been signed by the native King and ten chiefs, and was also subscribed by Church ministers. While the company wanted £3,000,000, its nominal capital was only £1,200,000. Finally, Mr. Holland said that his party would carry the fight along until they should have driven the Liberals and Reformers into the one camp, and would then fight them for the possession of the Treasury benches.

The Liberal Motion Defeated.

A division was taken on 8th July, when Mr. MacDonald's motion was negatived by 45 votes against 23.

An "Independent" Motion.

Immediately after the disposal of Mr. MacDonald's amendment,

Mr. C. E. Statham (*Independent, Dunedin Central*) moved the following amendment to the address in reply :—

"We feel it, however, to be our duty to submit to Your Excellency that in the opinion of this House Your Excellency's Government should, if not elected by this House, at least be elected by the members of the dominant party in the House."

Mr. Statham alleged that in the 1918 session, there being a certain amount of dissatisfaction among members of the Reform Party, Mr. Anderson (then member for Mataura and now Minister for Internal Affairs) and another hon. member had come to him and asked him to assist them in drawing up a platform which would embody the views of the more progressive members of the Party. He had demurred, his opinion being that the Reform Ministry should be cleared out lock, stock and barrel, and that they should have a new Ministry. He had been unwilling to assist them in the matter until the members in question had assured him that the first plank of their platform was to be insistence that the members of the party should have the right to elect their own Ministers. A number of kindred spirits came together and the Minister for Internal Affairs (Mr. Anderson) was appointed the Chairman of the Progressive Committee, and its convener ;

the Minister of Education (Hon. C. J. Parr) was a most enthusiastic member of the Progressive Party, and the Minister of Justice (Hon. E. P. Lee) was also a member, though he did not attend all its meetings. Those three gentlemen were associated with him and the others who insisted upon certain reforms, the first of which was that the Ministry should be elected by the Party, and while it was agreed by the members of this Progressive Party not to break away in the meantime from the Reform Party, it was agreed that not one of them should take a seat in the Ministry without the consent of the others. That was a plank in the platform. As the people elected the members of that House, it was the only logical outcome that members should have the right to elect the Ministry.

At the close of the speech the Prime Minister accepted the amendment as one of no-confidence, saying that there had never in his recollection been an amendment moved to the Address in reply, or to the motion to go into Committee of Supply on the Financial Statement, that had not been so accepted.

The Elective-Executive: Government Policy.

The Prime Minister (the Right Hon. W. F. Massey) said that, with regard to the amendment, the House as a whole had nothing to do with the business of any particular party. As to the elective executive, the proper way of testing the feeling of that House would be by means of a Bill. When he came to Parliament he had been a supporter of the elective-executive principle; but as he had learnt parliamentary wisdom he had come to see the difficulties of the system. An hon. member had said that it would do away with the party system. What would happen in the case of two parties coming into that House, one party with a clear majority? A caucus of the party would be called, which would elect the Ministry. He would not say they would go through the form of voting; but they would make their meaning perfectly clear to the leader of the party, and the men they wanted would be chosen. His experience was that if a Government was going to work well, the Cabinet must, on the more important questions, be of one way of thinking. The weakness of the National Government had lain in the fact that its members did not agree upon many important questions, such as the land question, and that of defence. Then many members favoured political control of the Public Service. He was strongly opposed to that, and the House would be asked that Session to strengthen the non-political control. Let them ask themselves how those three important questions could be dealt

with if they had a divided Cabinet. Any intelligent man could see that it simply meant disaster. Mr. Statham had had a great deal to say about what took place in his (Mr. Massey's) absence. He (Mr. Massey) would tell the House how the proposals originated. When the Imperial Government had invited the Finance Minister and himself to the Peace Conference at Paris a meeting of the party had been called, his attention having been drawn to the fact that in all probability he would not get back until shortly before the general election, and that the party required a platform with which to go to the country. He had agreed to a small committee being set up to draft a policy, and this course had been followed. On his way back to New Zealand after the Peace Conference he wrote the greater part of the policy, which had been put forward prior to the last general election, and it was approved, though certain planks were added by himself or others. The committee he had referred to met occasionally and he believed that some of them had got the idea that the Cabinet might be strengthened by the addition of fresh blood. Their wishes were communicated to him and he told them that he was quite prepared to reconstruct the Cabinet, but when a proposal was made to have the Cabinet elected by the party he said he could not retain his self-respect and agree to anything of the sort. If they had an elective executive to-morrow they would not get a Cabinet half as strong as the existing one.

One point that had been made in criticism was that he had been somewhat dilatory in making his appointments. "Slow and sure" was a good rule. Though he did not agree with a great deal that was done by the committee which was set up in his absence, he had to admit they did not treat him unfairly. When the idea of a new party suggested itself, the leading men had asked him if he would take the position of Prime Minister if they secured a majority. Of course that was impossible, and he made it perfectly clear, but the compliment was there all the same. Mr. Mander's name was mentioned as being one of the rebels; he used the word "rebels" as it was used by a member opposite. When he came back their loyalty was revived and he only wished that the hon. Member for Dunedin Central* had remained loyal as the others did; but he was like the lamb on the hills—he had left the fold and wandered away.

The Electoral System.

A good deal had been said as to their electoral system, and they were asked for some amendment—something different from what was known as the "first past the post" system.

* Mr. C. E. Statham.

The members of the Reform Party in the last general election had polled 207,000 votes, and there were sixteen seats they did not contest, and in order to put them in an apparent minority the votes in every one of those electorates not contested were counted against them. That was not a fair thing to do; in those sixteen electorates they should have polled not less than thirty-five thousand votes. If it were possible to get a straight-out vote as between the Government and those opposed to them, he was certain they could have secured a clear majority last election.

Proportional Representation: A Failure in N.S.W.

There was no question but that what was proposed was a system of proportional representation. They had an example of it the other day in New South Wales; and what happened? He had no hesitation in saying that the system of proportional representation tried there was an absolute and ghastly failure. The Australians themselves said so; and a committee of the Labour Conference held in Sydney a few weeks ago had turned it down.

Dr. H. T. J. Thacker (*Liberal, Christchurch East*): "But they have not repealed it yet."

The Prime Minister: "No; they have not had an opportunity yet, but it is coming."

Dr. Thacker: "Oh, no."

The Prime Minister: It was almost impossible to secure a majority for any party under proportional representation because that system brought the whole body politic into groups. After an election, if it was not possible otherwise to form a Government strong enough to carry on, a number of the groups came together—there was a compromise—and it was not a very edifying spectacle. It was the most unpopular system ever attempted in Australia. Half a dozen smart men could elect any candidate they thought proper with the preferential-voting system. The system lent itself to intrigue, wire-pulling, and improper practices twenty thousand times worse than the old second ballot.

Taking a case with three candidates—A, B, and C—the supporters of B and C could come together—he meant their committees—and could arrange for the second votes to be given each to the other candidate; and then some of the second votes would come from the A candidate, and there would not be a chance of candidate A being elected. In nine cases out of ten the committees could arrange to elect the man they wanted. He hoped that nothing of the sort would ever be attempted in that country. He had an open mind. Let them show him a better system than they had, and he

would be quite willing to try it, but he was not going to support a system which he believed to be absolutely wrong and which would lead to results such as had been experienced in the Federal Parliament and in New South Wales.

Coal Question not Settled.

They had not yet solved the coal difficulty, but that was not their fault. He had persuaded the two parties some time ago to confer and had put in ten days presiding at the conference. An agreement had been reached for the time being, but unfortunately there were points not yet settled.

Nauru Island.

After referring to other difficulties that had faced the Government, the Prime Minister referred to Nauru Island. He said that arrangements with regard to Nauru and Ocean Islands had occupied a great deal of his time during the last six months, and he was glad to think they had come to a successful issue. He should have liked to deal for five minutes with the Fijian difficulty, but he did not know that he should have sufficient time in that debate; but he would say that a certain amount of time had been occupied in making arrangements before they could send away the "Tutanekai" with fifty or sixty armed men on board.

An Hon. Member : "You did quite right."

Mr. Massey : "I am sure we did." He believed from the information he had received that the visit of the "Tutanekai" saved Fiji from a disaster.

Universal Old Age Pensions.

The member for Dunedin Central had expressed the opinion that they ought to have universal old-age pensions. That principle was absolutely right, and he had said so publicly and privately, and that it would be a good thing for the country if they could do it. But when it was suggested that they should require to add £2,500,000 per annum to their revenue for the purpose, it was impossible to carry out the idea.

Produce Sold to Imperial Government.

He had heard people say that they did not get a sufficiently good price or a fair price for the commodities which they had sold to the Imperial Government. On the other hand, he had heard even members of the House say that they got too much—that they were not fair to the Imperial Government. It was a very fair, straightforward, and satisfactory arrangement. No compulsion was brought to bear—absolutely none.

They had discussed the different proposals at great length round the Council table on the other side of the world, and in every case arrived at a unanimous conclusion. The result had been that they should have brought into New Zealand under the commandeers not less than £150,000,000 sterling. Where would they have been without it? People said they would have done better if they had had the opportunity of selling their produce in a free market. But what about the ships? The Imperial Government—properly, he would say—commandeered all the ships that were suitable for the trade between the Dominions and Great Britain. And even with all those ships under their control, what was the position that day? At the end of the commandeers they had probably about seven million carcasses of meat in their stores, on which the British Government was paying very high rates for storage, simply because they could not provide the ships to take the meat away. The amount paid for storage must have run into probably four or five millions. The argument was that if it had been possible for the Imperial Government to provide the ships necessary to take their produce away, they would not have paid storage charges.

Dr. H. T. J. Thacker : “But you let private profiteers send meat Home.”

The Prime Minister : “We did not. Not a carcass of meat has gone out of New Zealand to Europe except the meat purchased by the Imperial Government. With the consent of the Imperial Government we allowed two or three thousand carcasses to be sent to 'Frisco or Vancouver.”

Some further discussion on this point followed, the Prime Minister replying to several criticisms made by Dr. Thacker.

“Extremists” on Cross Benches.

The Prime Minister said he wished to say a word or two to his friends on the cross-benches. He said : “I am speaking now to the new members—although not all new—who have been referred to under different appellations, such as ‘reds’ and ‘extremists.’ I do not know that any of their critics went the length of saying they were Bolsheviks. I give them the choice of either term.” He wanted to ask them where they were getting to. They were on the road to nowhere, and it was his belief that they would get there without much loss of time. He had heard that evening there a number of references to the Soviet system. If anything like it became established in New Zealand, which he did not think would be the case, then Heaven help New Zealand.

Mr. E. J. Howard (Labour, Christchurch South) : “No one will ever advocate it in New Zealand.”

The Prime Minister : "I am very glad to have that admission."

He would ask the honourable Member for Dunedin Central to withdraw his amendment and take the opportunity of submitting his proposals to the House in the form of a Bill. There would be no difficulty about it ; and if any difficulty arose he would give him the assurance of the head of the Government that he would have the opportunity of seeing it through, and the House would have the opportunity of expressing its views thereon.

After a protracted debate, the amendment was negatived by 41 votes against 30, the Labour and Independent members voting with the Opposition.

DEBATE IN LEGISLATIVE COUNCIL.

The Dominions and Nationhood.

The Hon. W. H. Triggs (*Christchurch*), in moving, on 6th July, the address in reply, which contained an expression of appreciation of the honourable services rendered to King, legislature and the people of New Zealand by the Governor-General during his prolonged term of office, said that the war had introduced fresh problems calling for careful attention by the statesmen of the day ; and after referring to the opinion expressed by General Smuts in the South African Parliament and that of Mr. Doherty in the Canadian House of Commons on what he described as the "new doctrine of nationhood" of the Dominions, said that the Empire had undoubtedly arrived at a fresh stage in its development, and it behoved their statesmen to reach by common agreement some plan by which the Empire should be enabled to speak with one voice. Lord Milner had made reference to the matter and had indicated that something in the nature of a constituent Assembly of representatives of different parts of the Empire would meet next year in London to try to arrive at a basis upon which the relations between the Motherland and the Dominions should be conducted. He hoped that the Government would give Parliament an opportunity of discussing the question before the session was concluded.

"Loose-Tie" or Federation.

The Hon. Sir J. R. Sinclair (*Dunedin*) said that it had been long regarded as an anomaly that in a Commonwealth such as theirs, comprising a number of parts, only one part should be given any voice in determining questions that not merely concerned the whole, but which might involve its existence. An

Imperial War Cabinet had been set up and great work had been done. That body went out of office on the termination of war. What was the permanent organisation to be? He was of those who earnestly hoped that, as constitutional touch developed, the spirit of the "loose-tie" might be preserved. The War Conference had set on one side altogether the federal solution. With that view he was wholly in agreement. If an Imperial Parliament were constituted it would not give a real voice to the Dominions while it would mean their parting with their autonomy.

The price that would have to be paid for a voice in an Imperial Parliament, a voice that might not accomplish anything, would be the parting by the Dominions with their self-governing powers, powers that they always exercised with loyalty to their people as a whole. Apart from the inherent difficulties—and there were many—there were requirements, absent in the case of the Empire, to the successful setting up of a Federal system. First, there should be contiguity of area, with all that contiguity of area meant. Their Commonwealth lay in different hemispheres, involving entirely different conditions, and it was not difficult to see that an attempt to create a Federation under those conditions might lead to differences, instead of drawing their people closer.

Then there ought to be rough approximation in the numbers of population. There was not that either. If an Imperial Parliament were to be constituted what real voice could the oldest Dominion in Newfoundland, with its population of about a quarter of a million, what real voice could their own Dominion, with its population of about a million, have in an assembly which contained representatives of the unit whose population was forty-six millions? There could be no real voice. They could not ignore population. Questions would have to be decided in the ordinary way. Differences would go to the vote. The representatives of the Dominions could vote, and with the recording of that vote there would pass away their birthright, and the right to control their own affairs. That there was no desire for the setting up of an Imperial Parliament on the part of their own people he felt sure, and he had had some opportunity of forming an opinion. Everywhere there was the feeling that there ought to be given to the overseas parts a voice on questions of Empire policy, but nowhere was the view put forward that that could be given through the medium of an Imperial Parliament. It would be a movement still forward if there was constituted a representative consultative Empire body that would keep in touch with all questions affecting the policy of the Empire, and that would play its part in developing the trade of the Empire—an organisation that would be representative of the whole.

Just as there could not be taxation without representation, so without representation in an Imperial Parliament there could not be liability to taxation.

While all parts of their Commonwealth were eager to come closer and closer—while all were Federalists in that sense—the Dominions regarded their self-governing powers as a precious possession—powers which the Mother Country would be the first to say they had always exercised with loyalty to King and country. They could not part with them. To part with their autonomy would mean parting with their birthright.

The Prince of Wales' Visit.

The Hon. Sir Francis Bell (Attorney-General) moved, at the close of the debate, as follows :—

“ That the following words be added :—

“ ‘ We join with Your Excellency in a strong sense of the advantage which the whole Empire will gain from the visit of His Royal Highness the Prince of Wales to the distant Dominions of the Crown, and cordially agree with Your Excellency that the undoubted success of the visit was largely due to the Prince himself. ’ ”

The motion was agreed to and the words of the address in reply as amended agreed to.

SAMOA : PACIFIC ISLANDS TRADE.

In connection with the Parliamentary visit to Samoa and other Pacific Islands, a debate began in the House of Representatives on 28th July, and extended over two sittings, concluding on 31st July. In the course of the discussion the administration of Samoa and trade with the Pacific Islands were discussed.

DEBATE IN HOUSE OF REPRESENTATIVES.

The Prime Minister (the Right Hon. W. F. Massey) moved :

“ That the orders of the day be postponed down to the order dealing with the visit of the Parliamentary Party to the Islands, and to the following order dealing with trade between New Zealand and the Islands.”

It was agreed that the two matters should be discussed together.

The Minister of External Affairs (Hon. E. P. Lee) referred to the debate during the previous Session on the Treaties of Peace Bill,* and recalled the fact that running through the

* See Vol. I., No. 1, of the JOURNAL, at p. 167 and following pages.

whole debate in connection with some Members' speeches, there was evidently a feeling that Samoa was going to be carried on by the Dominion with slave labour. The House would recollect there was a large support in favour of the Order in Council which was issued, not restricting the labour in Samoa to labour which was not indentured. At the same time the Prime Minister had given the House to understand that the indentured labour in Samoa, until the House met, would not be appreciably increased. That was the state of affairs on that date.

Cook Islands.

He did not intend in his remarks to deal with the Cook Islands, as a Bill had been introduced by himself that day to amend the External Affairs Act by taking away from the External Affairs Department the administration of the Cook Islands—leaving as it stood before—under the control of the Minister representing the Native Race.

Parliamentary Party at Samoa.

Mr. Lee surveyed at length the visit to Samoa of the Parliamentary Party in February-March last under the leadership of Sir James Allen,* and said that Sir James had explained to the Faipules (Members of the Samoan Native Parliament) that the New Zealand Government was prepared to lend the Samoan Administration money for revenue-producing public works, such as waterworks, drainage, etc., at 5 per cent. with 1 per cent. sinking fund; and for other works which were not revenue-producing, such as public buildings and roads, money would be advanced and no interest charged for the time being.

Visits to Plantations.

The party had visited various plantations so that members might see the conditions under which the indentured labour was working. The Chinese Consul and several Chinese interpreters had been in attendance and direct questions had been put by members of the House to the labourers, and a full opportunity given to inquire into the position from them as to their work, health, housing conditions, or any subject they wished. In answer to an interjection by Mr. H. E. Holland (Labour, *Buller*) that only ten labourers had been present out of the 800 employed, Mr. Lee replied that he did not think the Hon. Members would suggest there

* The Hon. Sir James Allen is now High Commissioner for New Zealand in London, in succession to the Hon. Sir Thomas Mackenzie.

was any hole-and-corner arrangement whereby ten indentured labourers were brought up who were primed up to give certain answers.

Mr. Holland : " I did not say so."

The Minister of External Affairs : " Then I take it, their answers would be a fair sample to those that would have been given by the eight hundred."

The Minister proceeded to say that in view of the debate in the House last Session in which indentured labour had been described as " Slavery " he had wondered what information would be obtained from the indentured labourer on the question of slave labour or of the slave-labour conditions, but that that aspect of the question seemed to have disappeared. The whole tenor of the questions was as to the relationship of the indentured labourers with the Samoan girls.

The Citizen's Committee.

A meeting had been held with the citizen's committee, which had prepared a lengthy pamphlet in which it was stated :—

" We hope to prove to you that upon your deliberations depends the future of the Colony—whether it is to be an asset to the Government you represent or a useless burden to the New Zealand taxpayer. We hope to prove to you that without an adequate supply of economic labour it will be impossible for the planters to carry on, with the inevitable result that the plantations will be forced to close down. The position we face to-day is—More labour or bankruptcy. It rests with you to make or mar us."

The 800 Chinese Labourers : 5,000 Asked for.

The pamphlet also set forth the method of recruiting Chinese labour before the British occupation. Under the sanction and supervision of the Chinese Government, the men were recruited through agents in Hong-Kong. The method of recruiting was simply to make known that a certain number of labourers were required for Samoa. The intending recruits volunteered. The conditions of the agreement under which they were indentured were thoroughly explained to them, and if they elected to sign on, they were medically examined before being allowed to indenture. The Committee considered that five thousand permanent labourers would ultimately be required to carry on the areas then under cultivation and necessary development for the work of the merchants, as servants and for public works—fresh numbers would have to be added as business increased and new settlers arrived.

Sir James Allen had replied to the Committee that the Government was under a pledge to do nothing more regarding indentured labour until the next Session of Parliament.

The Government Policy.

The Minister proceeded to say that the only available source of outside labour seemed to be indentured labour from China, and the policy of the Government was to carry on the plantations by properly controlled indentured Chinese labour in sufficient quantity to do what was necessary in Samoa.

A good deal of the trouble that had arisen in Samoa was on account of the fact that the Chinese had remained over the three years' indenture period. The system they intended to introduce was strictly to stick to the three years in the case of Chinamen who did not bring their wives with them.*

German Property very Valuable.

The property of the German Government, for example the residence of the Administrator, and the properties which had belonged to German companies, had been taken over as part of the Crown estates of New Zealand. They could not say yet that those properties were absolutely the properties of New Zealand. They were contingently the properties of New Zealand—that was to say—that if, later on, the amount which they had to pay were taken as against the amount which they should receive as war indemnities from Germany, they did become the properties of New Zealand. The profits from the carrying on of those properties belonged contingently to New Zealand. With regard to property other than land, chattels and things of that kind, of Germans who had been repatriated, an assurance had been given to the Germans that the net balances would be remitted to them direct to their addresses in Germany.

Settlement delayed by Labour Question.

The properties taken from the Germans were very valuable—there had been many inquiries, particularly on behalf of returned soldiers, as to the prospects of settlement, but it would certainly be improper until the labour question was decided, to settle those men on any portion of Samoa, because the country would be useless to them without an adequate supply of labour.

* The Prime Minister pointed out later in the debate that the term of indenture had been reduced to two years under the new agreement (see page 728).

Financial Position : £270,000 Profit.

It had been considered by outsiders that Samoa was likely to be a burden to New Zealand. That was not so. Already they held £200,000 in respect of profits on the Crown Estates as the proceeds of the Samoan administration, and there was every prospect, with proper development and with sufficient labour, of running the estates profitably, and the estates that had been taken over embraced some of the finest land in Samoa. During the military occupation the ordinary services were very much restricted and the revenue was sufficient to meet the cost of administration, and altogether there was then an amount of over £270,000 held by New Zealand, comprising accumulated profits and revenue. It was not anticipated that the ordinary revenue of Samoa would now be sufficient to meet expenditure, but they could resort to the accumulated profits and revenues of Samoa for development of the country ; that would be no loss to New Zealand, and it was, he submitted, a proper appropriation of the fund.

Samoa and the "Chatham."

At this point **Mr. Wilford (Acting Leader of the Opposition)** asked : " Are you going to make them pay anything for the cost of the 'Chatham' ? " * and **Mr. Lee** replied that he had nothing down for that : it was not part of Samoan administration.

Labour the Whole Problem.

The problem to be settled by the House was the labour question. **Mr. Lee** then quoted at length from missionary reports to the effect that indentured labour was necessary and advisable as the Samoans could not themselves cope with the rhinoceros beetle which was a menace to the whole coconut industry ; and that if married Chinese were not obtainable, the introduction of single Chinese need not be resisted on the ground that this constituted any serious moral danger to the Samoan people.

The debate was resumed on the 30th July.

Mr. T. K. Sidey (Liberal, Dunedin South) said he did not think the people of New Zealand had any special desire that they should administer Samoa. They were concerned more with the fact that they did not want the islands to revert to Germany. If, in the introduction of indentured labour into Samoa, the question of material consideration was to be the only one, there was a strong case for the Government. But there was another side to the picture. A large influx of single male Chinese, and the inevitable cohabitation with

* H.M.S. "Chatham" is a light cruiser presented to the New Zealand Government by the British Admiralty. See pages 735, 736, 737, 738.

the native women, must in the course of time have a material effect upon the native race. He asked : " Are we prepared to deliberately assist in the spreading of the Mongol into the South Pacific, and in fostering a race whose sympathies in the event of trouble, especially with our Asiatic neighbours, may be less with us than those of the Polynesians ? " The Government should find other means, and it was for the Government to suggest an alternative.

Mr. H. E. Holland (*Labour, Buller*) said he regretted that the two questions before the House had been taken together. He proposed to confine himself to the question of Samoa, and particularly to the question of Labour. He moved the following amendment :—

" That this House records its opposition to the continuance of indentured labour in Samoa."

He had gathered from the attitude assumed by the Acting-Prime Minister (Sir James Allen) during last session that unless the principle of indentured labour were accepted by the House, the mandate would be imperilled. When they got before the planters in Upolu they then learned from Sir James Allen that the Imperial Government itself had been positively opposed to the continuation of the system. Sir James Allen's statement to the planters at the meeting conveyed that the Imperial authorities at first positively forbade the indenturing of new coolies or reindenturing the time-expired coolies. The Government finally succeeded in getting permission to reindenture for three months during the war period. After the Armistice there was considerable correspondence, and at last the Imperial Government consented to reindenturing for a period of two years. Sir James Allen's statement further conveyed to them that the New Zealand Government had pleaded with the Imperial Government and with the Australian Government for indentured Solomon Islanders, and in each case the reply they had received had been an emphatic " No ! " They had approached the Dutch Government without success, for Javanese labourers ; and all of this was done behind the backs of the Parliament and the people of New Zealand. The Samoan people were almost unitedly opposed to the system of indentured labour. When the joint " fono " took place on 5th March and the chiefs presented their twenty-seven demands, the list contained no mention of the principle of indentured labour. He and the member for Lyttelton* had approached Sir James Allen and made a special request on behalf of the Labour members that he would convene a meeting of the chiefs in order that they might officially question them on the subject. No meeting of the chiefs was ever called, and they were given no opportunity of making any official investigation. They,

* Mr. J. McCombs, Labour.

therefore, went out and made their investigations unofficially. They went into the homes of the Samoans and they learned that in nearly all the villages that the question of indentured labour had been discussed and that the villagers desired—and it was an understood thing—that the chiefs should present a demand to the parliamentary party in opposition to indentured labour. Some influence had got to work and the result was that officially they never learned the view-point of the Samoan people through their chiefs. He did not find one in favour of indentured labour.

There was a very remarkable omission in the report of the meeting with the Chinese. There were some twelve to twenty members of Parliament around when he questioned one of the Chinamen, and they would remember that he asked what punishments these Chinamen had been subjected to. They would remember also that the interpreter replied for him, "He says he is afraid to answer." He asked any honourable member who was there if that was not the answer given by the interpreter, speaking for the Chinaman. Now, that reply did not appear in the official report. The Chinaman's answer—that he was afraid to answer—was cut out. The balance of the answer was quite correct. With rare exceptions only the Labour Members had dared to go before their constituents, and in public meetings put the case in connection with indentured labour.

He criticised the housing conditions and gave instances concerning the alleged immoral relations between the Chinamen and Samoan girls. He urged that it was not a matter of acclimatising white workers to Samoa, nor was it a matter of making the Samoan a wage labourer; it was a matter of getting Samoa for the Samoans—of making it possible for the Samoan people themselves to control their own destinies. Self-determination for the Samoans, under a League of Nations, would be the real ideal system. There was no League of Nations in the real sense, and the next best thing would be self-determination under a British protectorate.

Mr. E. J. Howard (*Labour, Christchurch South*) spoke at length and made a comparison in favour of America as against New Zealand in its Samoan administration. He stated, however, that he was not one of those who believed that they should pass the mandate back to the League of Nations. In a very few years labour would come into power and one of the first things it would do would be to put an end to coolie labour.

Mr. L. M. Isitt (*Liberal, Christchurch North*) said that down in Christchurch they had had a very lively time over indentured labour. The real fact was that the extreme Labour Party saw in the indenture question a remarkable

opportunity for a magnificent political "stunt"; they pushed that stunt with tremendous energy, and with an utter disregard for the correctness of their statements or of the feelings of the men who they had remorselessly slandered and attacked. They had done it very cunningly and not by accident, not by carelessness, but by design. If the House were unwise enough to listen to their suggestions to withdraw all indentured labour and leave the rhinoceros beetle to destroy the whole of the copra industry, it would work the ruin of the land they wished to develop, to the hurt of the people whom the New Zealand Parliament was bent upon helping. When the first discussion took place in the House the Member for Wellington Central, Mr. Fraser, "let the cat out of the bag." He stated that if they once allowed indentured labour to come into existence, they would have indentured labour in New Zealand. They went to Samoa with the hope that they would find some condition that would justify their opposition to indentured labour and were greedy to seize every possible excuse for condemning it. They were very bitter towards Sir James Allen because he would not allow them to wander off on their own account and search for such evidence as they could discover. To a certain extent they managed to do so despite Sir James Allen's prohibition. It was a matter of etiquette for a Samoan to agree with a visitor, and the missionaries had warned them of this. It would not take a Samoan very long before he found out what the honourable Member for Buller wanted him to say, and of course the native would say it. There was another reason why it would not have been safe to let these men go by themselves; to put it plainly they were not to be trusted. They could have no fairer system than that adopted by Sir James Allen, and it satisfied everybody except those men who were impervious to facts, or rather believed the exact opposite to all they were told. He had talked to all sorts of people and he never met one white man who did not give exactly the same account of the Samoan faculty for labour. They stated that if the Samoan wanted to build a church, to buy a motor-car or a boat, he would work like a Trojan for a few days or perhaps two or three weeks until his object was secured, and then would absolutely refuse to work any longer. Man after man told him that it was impossible to get Samoans to work at plantation work, and the missionaries were united in that opinion.

The Prime Minister (the Right Hon. W. F. Massey) said that he had not had the opportunity of going to Samoa with the Parliamentary Party. The Germans made Samoa a great commercial centre. He knew that Apia was a very poor harbour, but it was good enough for the purposes of the Germans: it was good enough for the "Scharnhorst" and the

“Gneisenau” in fine weather and for the smaller vessels they had at the time. Apia was their real centre and the base of operations.

He was not in favour of the indenture system, nor was he a lover of the yellow races. The indenture system was for two years according to the new agreement; the sooner they got rid of it the better he should be pleased.

The Hon. A. T. Ngata (*Liberal, Eastern Maori Electorate*) said that he was almost convinced by the speech of Mr. Isitt to vote for indentured labour. He felt that he was left with only one argument, and that was one of pure sentiment on behalf of the Samoans. He would have proposed if it had been in order to move an amendment on Mr. Holland's amendment:

“To add to this amendment the words: ‘as a permanent system, but recognises that under present circumstances it should be continued, with adequate safeguards, for a period of from seven to ten years, in the hope that the native population may be educated, stimulated and organised to provide the labour necessary for the upkeep of the plantations.’”

Sir James Allen had referred to the mandate as a trust for civilisation. Was it the plantations that were accepted as a trust for civilisation? No. What the statesmen of Great Britain had in mind was not the plantations or of the profit that could be made out of them, but they thought of the Samoans first, and probably all the time. The British Cabinet did not like indentured labour in regard to Samoa. The Samoans might be congratulated that they had come under the wing of the Anglo-Saxon race, and they were extremely fortunate in that they had come under the direction of the Government of New Zealand, because there was no better representative of the British conscience on the matter of the just administration of the native races than the Government of that country.

The House divided at thirteen minutes to three a.m. on the 31st July on the question “That the words proposed to be omitted stand part of the question,” and the motion was carried in favour of the Government by 33 votes to 11, some twenty-two members having paired.

IMPERIAL RELATIONS.

The Prime Minister (the Rt. Hon. W. F. Massey) in reply to a question by Mr. A. S. Malcolm (Reform, *Clutha*) as to whether an early opportunity would be given “for a consecutive and logical discussion on the question of Imperial relations,” stated that the suggestion would be considered after the conclusion of the Financial Debate.

IMMIGRATION RESTRICTION BILL.

(Oath of Allegiance: Influx of Chinese and Hindus.)

During the early part of the Session several questions were asked in the House as to whether the Government intended to take steps to stem the influx of Chinese and Hindus into the Dominion, as this was alleged to have assumed serious proportions. A question was also asked as to whether it was intended to require all immigrants, whether foreigners or not, to take an oath of loyalty to the King.

In each case the answer given was to the effect that legislation would be brought down as early as possible, and accordingly, the Prime Minister (The Rt. Hon. W. F. Massey) introduced the Immigration Restriction Amendment Bill, which was read a first time in the House of Representatives.

The object of the Bill is to amend the law, so that foreigners will not be allowed to settle in the country without first obtaining a permit and taking, after the grant of such permit, an oath to obey the laws of the Dominion, whilst British Immigrants will be required to take the Oath of Allegiance; but nations, races, and also individuals, may be specially exempted.

The Bill has attached to it an explanatory memorandum which, omitting a paragraph dealing with a technical amendment of the principal Act as to the time within which proceedings may be taken under the penal clauses, is to the following effect:—

The first effect of the present Bill is to require *all* persons other than His Majesty's land and sea Forces, the officers and crews of ships of war of foreign Governments, merchant seamen, and representatives of foreign Powers to take the oath of allegiance to His Majesty, if subjects of His Majesty, and to take an oath to obey the laws of New Zealand, if subjects of a foreign power. These provisions will be found in Part II. of the Bill.

The second effect (contained in Part I of the Bill) is to substitute for the education test, prescribed for foreigners by the principal Act, a test of suitability to be settlers in New Zealand. All persons who are actually of British or Irish birth and parentage (except criminals, lunatics, and persons suffering from loathsome diseases) may become settlers in New Zealand without any condition other than that of taking the oath of allegiance. Persons who are not of British or Irish birth and parentage may come to New Zealand as visitors for business, health, or pleasure purposes. But persons who are not of British or Irish birth and parentage who enter New Zealand with the intention of becoming settlers in the country are required to make a previous application in writing from the country of their residence setting forth in detail their intentions and their qualification to become settlers. If the Minister of Customs is satisfied, he may grant a permit. The possession of such a permit is a condition of the right of a foreigner to enter New Zealand otherwise than as a visitor.

Provision is made for the exemption by Proclamation of the Governor-General of nations and races from the provisions of the Act. Power is also reserved to the Minister of Customs to grant exemption in the case of any particular person.

The substitution of prior application for permit in place of an education test has, in the case of Chinese, enabled the Government to propose in this Bill the repeal of the Amendment Act of 1908 containing the provision as to thumb-prints of Chinese, in regard to which the accredited representative of China has made serious official complaint.

REVOCATION OF NATURALISATION AMENDMENT BILL.

This Bill was introduced in the House of Representatives, and was read a third time on the 15th July. It passed its Third Reading in the Legislative Council on 28th July, after having been amended in Committee by the addition of a clause applying its provisions to persons whose naturalisation may have been revoked before the Bill becomes law.

The object of the Bill is to compel the surrender of Letters of Naturalisation issued to persons whose naturalisation has been revoked.

Clause 2 of the Bill imposes upon a person whose letters of naturalisation have been revoked the obligation to deliver them up to the Police or someone authorised in that behalf by the Minister of Internal Affairs; and on such surrender, power is given to cancel any endorsement made on letters of naturalisation in the United Kingdom or other British Possessions.

Clause 3 provides a penalty of three months imprisonment or a fine of one hundred pounds for non-delivery.

A person is to be deemed to be in possession of his letters of naturalisation until he either delivers them to the authorised officer or proves that they are not in his possession.

REGISTRATION OF ALIENS AMENDMENT BILL.

The Registration of Aliens Amendment Bill, introduced in the House of Representatives, was read a second time on 15th July after a debate in which the measure was subjected to some criticism, mainly on the part of the Labour members. It passed its Third Reading on 20th July, and passed through all stages in the Legislative Council on 28th July.

The object of the Bill is to remedy certain oversights in the Principal Act of 1917 which was passed for the purpose of enabling the authorities to have a complete register of aliens residing in New Zealand.

The Bill provides for the registration of the following classes of aliens :—

- (A) Those who become such by reason of marriage (Clause 2) ;
- (B) Those whose naturalisation has been revoked (Clause 3) ;
- (C) Those who attain the age of 15 years (Clause 4).

The Bill is made retrospective with regard to the obligation upon an Alien to register his or her change of name, whether by marriage or otherwise.

REGISTRATION OF BUSINESS NAMES BILL.

This Bill was introduced into the House of Representatives by Mr. J. V. Brown (Liberal, *Napier*), and was read a first time on the 16th July.

The object of the Bill is to compel firms and persons to register when they carry on business under business names, or do not disclose the true surnames of all individual partners, and the corporate names of such partners as may be corporations.

The Bill covers the cases of persons, etc., who are the nominees and trustees of other firms and persons (Clause 4) ; and such nominees and trustees must give special details concerning their principals in addition to the ordinary particulars required to be furnished on registration. When application is made for registration, a signed statement must be filled in, in which the nationality of the applicants must be disclosed, and general information given as to identity, the general nature of the business, the principal place of business, etc. (Clause 5).

Penalties are provided (Clause 9), and a defaulter suffers, in addition to the penalty, a disability in being disqualified from enforcing any contract made in respect of the business in question while he remains in default (Clause 10). An index of all firms and persons registered under the Act is to be kept by the Registrar of Companies (Clause 14).

Finally, Section 19 provides that after three months from the passing of the Act, every individual and firm required to be registered under the Act must, in all catalogues, trade circulars, show-cards and business letters in which the business name appears, and which are issued or sent to any person in any part of His Majesty's Dominions, have mentioned in legible characters :—

(A) In the case of an individual—

- (i) His present Christian name or initials, and present surname.
- (ii) Any former Christian name or surname.
- (iii) His nationality, if not British, and if his nationality is not his nationality of origin, his nationality of origin.

(B) In the case of a firm—

The same particulars as above of all the partners in the firm, and in the case of a corporation being a partner, the corporate name.

ARMS BILL.

This Bill was introduced into the House of Representatives by the Prime Minister (the Rt. Hon. W. F. Massey), on the 27th July. The purpose of the Bill, as described in an explanatory Memorandum, is to repeal the Arms Act, 1908 (which has long been obsolete), and to make better provision for securing the public safety in respect of the possession and use of arms, ammunition, and explosives.

The Bill deals in a very detailed manner with the carrying and possession of arms. It prohibits absolutely the possession of automatic pistols after 1st January, 1921, the only exception being in favour of members of the New Zealand Expeditionary Force, as to pistols used by them abroad, which they will be allowed to retain.

The importation of arms without a police permit is also forbidden (Clause 6). Clause 8 enables the Governor-General by Proclamation to prescribe areas in which the possession of arms, ammunition and explosives is absolutely prohibited save under a permit from the police. On any such area being prescribed, all unauthorised persons in possession of arms, etc., are required to deliver them up to the police, compensation being payable out of the Consolidated Fund.

There is also power to search for and take possession of arms (Clauses 14, 16, 17, 18), and Clause 22 excludes from the operations of the Act firearms lawfully in the possession of the Defence forces or of the police.

LABOUR AND THE IRISH QUESTION.

The Speaker's Ruling.

Mr. H. E. Holland (Labour, *Buller*) on the 14th July, having pointed out that a notice of motion which he had presented had not appeared on the Order Paper, and having asked whether or not the motion in question had been ruled out of order, the Speaker of the House informed him that he was of opinion that the notice of motion should not be placed on the Order Paper, for the reason that it was "reflecting upon or dictating to the British Government at a critical period."

On 23rd July Mr. Holland moved—

"That Mr. Speaker's ruling that the notice of motion by the member for Buller, in favour of self-determination for the Irish people, and condemning the military occupation of Ireland, is not in order, be disagreed with."

Before calling upon Mr. Holland, the Speaker stated that his reason for ruling the previous motion out of order, was in

reference to that part of it which demanded the immediate withdrawal of troops from Ireland, because the effect of the withdrawal of troops would mean handing over Ireland to outrage and murder, to the enemies of Great Britain and the Empire, and to those who wished to have a republic in Ireland.

The Prime Minister (Right Hon. W. F. Massey) said that he hoped the discussion would be limited to the question whether the Speaker had the right to rule out of order a motion such as that attempted to be moved by the member for Buller. He hoped no one would attempt to discuss from an anti-Imperial point of view the serious state of affairs that existed so near the heart of the Empire. If they could not do the Empire any good—he believed they could—he hoped that no member of the New Zealand Parliament would attempt to do it any serious injury.

Mr. Holland : “Do you not think that is quite uncalled for ? ”

Mr. Holland spoke at length and the motion was defeated by 41 votes against 4.

On 3rd August the question came up again when

Mr. W. S. Glenn (Reform, Rangitikei) asked the Prime Minister without notice whether he thought it advisable that members of Parliament (he referred to the hon. member for Buller) should traverse the country and lecture in the different centres in regard to the Irish question, seeing that beforehand the hon. member had an answer from the Prime Minister in reference to the Irish question.

The Prime Minister replied that the hon. member would find himself breaking the law one day, and then he would be in trouble. He strongly disapproved of what the hon. member was doing, not because there was a little industrial trouble in the country, but because the British Government was having serious trouble on account of difficulties in various parts of the Empire, in India and Ireland particularly. He was very strongly of opinion that the Empire must be kept together at any sacrifice and at any cost ; he was certain that the majority of the people of the Dominion were with him in that opinion.

Mr. Holland, in making a personal explanation, said that he had been misrepresented by the Prime Minister. In his lecture at Auckland he simply traversed the facts of history in regard to Ireland, traversed his own action in that House, placed his own action and the action of the Labour Party before the people, giving them an opportunity of seeing whether they had done right or wrong. He wanted to say that nobody could allege that what he had said at Auckland could possibly do any harm so far as that or any other country

was concerned. He intended to continue these lectures, and left it to the people to say whether he was in the right or not; and neither the Prime Minister nor anybody else would prevent him from doing so.

THE BUDGET.

On 27th July, 1920, the House having resolved itself into Committee of Supply,

The Prime Minister and Minister of Finance (the Right Hon. W. F. Massey) submitted his Financial Statement, which showed the following position :—

FOR THE FINANCIAL YEAR, 1919-20.							
Revenue	..	..	..	..	..	..	£26,081,340
Expenditure	..	..	..	..	..	..	£23,781,924
Surplus for Year							£2,299,416
Add Accumulated Surplus at the end of the Financial Year, 1918-1919	..	..	..	..	..	..	£15,239,561
Total Accumulated Surplus							£17,538,977
ESTIMATES FOR FINANCIAL YEAR, 1920-1921.							
Estimated Revenue	..	..	..	..	..	..	£27,712,700
Estimated Expenditure	..	..	..	..	..	..	£26,893,497
Available for Supplementary Estimate							£819,203

The principal matters of general interest referred to in the Budget were as follows :—

War Loans : At the end of the Financial year the loans on account of War expenditure amounted to £80,089,025, of which £53,748,780 had been raised in New Zealand and £25,840,000 had been advanced by the Mother Country, mainly for the maintenance of New Zealand troops in the Field.

Trade with Enemy Countries : An impression had, the Minister said, got abroad that goods from Germany and Austria might now be freely imported into New Zealand; this was incorrect. Such goods might be imported under special licence, which was only granted for articles and materials not obtainable elsewhere.

Aerial Mails : It was expected at an early date to establish trial aerial mail-services, experiments having already been carried out with sufficient success to warrant a more elaborate scheme.

Nauru and Ocean Islands : The sum of £560,000, being New Zealand's share of the purchase money of the interests of the Pacific Phosphate Co., had been paid on 18th July, 1920, a total sum of £600,000 having been provided for the purchase and development of New Zealand's interests in those islands.

Naval Defence : The experience of the late war had demonstrated the vital importance of their sea communications and the imperative

necessity of making adequate provision for their protection. The light cruiser "Chatham," 5,400 tons, similar to H.M.A.S. "Melbourne" and "Sydney," had been presented to the Government, and would probably be ready to leave England for New Zealand waters about the end of October. She had been completed at Chatham Dockyard in December, 1912, was armed with eight 6-inch guns, and had a speed of from twenty-five to twenty-six knots.

Defence Committee : In view of the future defence of the country, involving the employment of Naval, Air and Land Forces, it had been decided to establish a Committee of Defence to advise on questions of higher policy and to co-ordinate the naval, land and air defence of the Dominions.

Industrial Conditions : The country was passing through a period of unrest such as always followed a great war, and industrial disputes were of frequent occurrence.

Cost of Living : It could still be claimed that the Dominion was better off than any other part of the world, not only in respect of food prices, but in the general level of prices. The Board of Trade had controlled the prices of wheat, flour, milk, bread, butter, sugar, meat, groceries, benzine, timber and cement. As regarded meat, the price had practically remained constant during the last three years, and no complaints had been received as to excessive prices. The conserving of food and clothing supplies grown and manufactured in the Dominion had been effective in checking the export of commodities needed in the Dominion. That prohibition included such articles as jam, sugar, bacon, hams, pork, leather, footwear and manufactured woollen goods.

Fisheries : It was the desire of the Government to encourage the fishing industry by giving financial assistance in providing cold storage and up-to-date fishing vessels and gear.

Western Samoa : After much delay due to causes beyond the control of the Dominion, they had received authority to pass the Samoa Constitution and other necessary supplementary orders, and these had come into operation on 1st May, 1920. On that date, therefore, civil Government and British law had replaced the Military Administration and German law of the preceding five years and a half.

In execution of his promise that hon. members should have an opportunity to visit Samoa and investigate Samoan affairs at first hand, the steamship "Mokoia" left Wellington on the 17th February with a large number of members representing both branches of the Legislature, arriving back at Auckland on 26th March.

Compulsory Loan-levy : In view of the necessity of providing money for such urgent public requirements as housing, discharged soldiers' settlement, and loans redemption, Parliament would be asked to grant authority for a compulsory levy should the appeal for voluntary subscriptions at fair and reasonable rates of interest result in a deficiency.

Banking : Important legislation in connection with the banking business of the Dominion, and the intimate relationship of the Government thereto, was foreshadowed.

Customs Tariff Revision : This would be deferred until next session.

In conclusion the Prime Minister stated that, owing to the existing unrest and the demands for largely increased expenditure, he had fully and plainly set out the financial position of the Dominion, which he considered was satisfactory if not altogether free from anxiety.

DEBATE IN HOUSE OF REPRESENTATIVES.

The debate on the Budget was taken on the 3rd August and was concluded the following day.

Mr. T. M. Wilford (*Liberal, Hutt*) said that it had fallen to his lot owing to the illness of his leader, the Hon. W. D. S. MacDonald* to open the financial debate on behalf of the Opposition. The Budget was a disappointing one to him, because it was a Budget without vision, and many of those matters which were near the heart of everybody had been either slurred over, lightly touched upon, or left out altogether. He regretted that there was nothing in the Budget which showed that the Ministry of the day had realised that not only must the country be great in production, but that there must be methods in hand by which the produce of the country could be best marketed. He would have thought that in the Budget there would have been some advice or guidance held out to the farmers of the country, outlining some Government proposal in regard to shipping space in the future when control was lifted, but there was an entire absence of any helpful suggestion. Were they to continue to bear the burden as they were doing, with the private wealth of the country amounting to £400,000,000 sterling and the public debt to £201,000,000, or were they going to work and make some levy on wealth to reduce their debt, and reduce their annual expenditure for interest on their loans? The taxation should be imposed upon those people who were best able to bear it, and more should be obtained from the larger estates, and the large incomes, and from death duties. The Liberal Party stood for an increased gradation of income tax and land tax, and increased death duties and succession duties.

He wished to say a word about the Prime Minister's navy, the "Chatham," that great warship the Prime Minister was getting for them. It had, he thought, eight 6-inch guns, and would cost £260,000 a year to maintain. The right hon. gentleman had told them that they need not worry very much about it, because they would not have to pay £100,000 to the British Government as the navy contribution that they had been paying in the past. The only naval defence the country would require would be submarine and hydroplane spotters. They had the retiring grounds, and they had perfect submarine bases ready at hand. The whole naval policy of the Prime Minister had begun with the "Chatham," which was a 25 or 26 knot boat. If they were going to have a naval defence

* Mr. MacDonald died suddenly, after leaving the House on 1st September. Mr. T. M. Wilford was subsequently elected Leader of the Opposition.

to the country at all, they must have the most up-to-date battleships the world could produce, and they must keep on improving them as the old ones became obsolete. He suggested they should have no local navy whatever, and he wanted to say plainly that he was against any navy in that country at all. His vote would always go for the defence of those Islands by means of submarines and hydroplane spotters with contributions to the British Navy. It was not only difficult but practically impossible to man any navy since the great war. The British Navy was finding that, on account of the rates of pay, less men were offering. Did the hon. gentleman expect that even on the "Chatham," which was attached to the country for the purpose of defence, he would get engineers, artificers, and men who dealt with machinery to go on to that warship except at the current rate of wages paid in those particular trades outside shipping?

The Minister of Agriculture (Hon. W. Nosworthy) said that Mr. Wilford had accused the Government of want of vision, but the hon. member in his summary of the political situation that night had touched very lightly on the Budget and the tremendous responsibility attached to it as far as the financial position of the country was concerned. He had accused the Government of not taking any steps to provide facilities for shipping in the future, or of looking for fresh markets to meet the situation that had arisen in connection with their produce. He could tell him that the Government had already arranged for representatives of the shipping companies to meet a special Committee set up by the House, and to go into the question of freights and shipping facilities generally.

It was regretted there was no immediate prospect of a reduction in taxation, and the Government did not pretend to say there was. They had almost reached the point where the country was not able to pay more than it was paying under the gradation that existed. The only sound policy for an exporting country such as New Zealand to work on, in order to bring in money, was by means of production. He referred to the advisability of getting away from subsidies and having the country run on the basis of supply and demand. They were complicating the consolidated fund, and it was in his opinion in existence for other purposes than the payment of subsidies, especially now the war was over. The table which he produced showed the rate at which the margin of revenue over expenditure was being cut down, namely:—

Increase in	Revenue.	Expenditure.
1919 over 1918	10·6 per cent.	23·5 per cent.
1920 over 1919	16·6 per cent.	27·3 per cent.
1921 over 1920	6·2 per cent.	13·2 per cent.
(estimated)		

Those figures showed anyone who cared to study the position that the Government had its work cut out, and that it required not a Government "destitute of vision," but a Government with vision, care and determination to deal with the tremendous liabilities the country had to face, and the obligations it was called upon to meet each year. It was impossible to grant all the requests that were made. The Government would have to go "reasonably slow," but every pound the Government could raise would be utilised to the full extent in the development of the resources of the Dominion.

Mr. G. W. Forbes (*Liberal, Hurunui*) criticised the Budget, and, in reference to Lord Jellicoe's Report, said there was the question of New Zealand's naval policy having been decided by the head of the Government without reference to the House. He asked the Prime Minister to give the House the opportunity of discussing Lord Jellicoe's Report, as promised last year. Upon Mr. Massey interpolating: "Have you forgotten the Naval Defence Act?" Mr. Forbes repeated that the House had never had an opportunity of discussing Lord Jellicoe's Report, and expressing its opinion on it, as it had a perfect right to do.

Naval Policy.

The Prime Minister, in his reply to criticisms of the Budget, said with regard to Mr. Wilford's statement that he (Mr. Wilford) would not go further in regard to naval policy than a force of submarines, that Lord Jellicoe was of opinion that capital ships could not possibly be done away with. The use of the "Chatham" would be to assist, in the event of war, in keeping their trade-routes clear. The "Chatham" had not been their first pick. The ship actually offered was an oil-burning ship, the "Canterbury," but they could not be certain of finding the oil in the country to keep that ship going. The Admiralty had, however, said that they would be quite prepared at any time to change and give the "Canterbury." Everything that had been done so far as naval policy was concerned—so far as making arrangements for the cruiser "Chatham" to come to New Zealand—was strictly in accordance with the law. The Naval Defence Act gave all the power they desired in that connection, and they had acted under the authority of that Act.

INCREASED PAYMENTS TO MEMBERS OF PARLIAMENT.**(Civil List Bill.)**

The Civil List Bill, brought down by the Prime Minister (the Right Hon. W. F. Massey), was read a first time on 30th June.

The object of the Bill, which is a consolidating measure, is to determine the salaries and allowances of the Governor-General, the Executive Council and Ministers of the Crown, and the payment and allowances of Members of Parliament.

The Bill provides (*inter alia*) that payments to Members of the Legislative Council shall be increased from £200 to £300 ; and that of Members of the House of Representatives from £300 to £450. The Governor-General's salary and allowances and those of the Ministry are, according to the Schedules in the Bill, to remain practically unaltered.*

CUSTOMS AMENDMENT ACT.**(To Counteract Effect of Rate of Exchange.)**

This Act, which passed all stages in the House of Representatives on 15th July, as a matter of urgency, had attached to it the following explanatory note setting forth the object of the Act :—

The purpose of this Bill is to afford to importers of goods from foreign countries relief from hardship due to the varying commercial or banking rates of exchange, as distinguished from the " mintage " rates.

Section 121 of the Customs Act, 1913, provides that " Where the Invoice shows the value of the goods in any currency other than that in force in New Zealand the equivalent value in such last-mentioned currency shall be ascertained according to a fair rate of exchange." The reference in this section to a fair rate of exchange has been held to be a reference to the " mintage rate," and not to the

*The Bill appears to have been considerably altered during its passage, as a cable from Wellington, N.Z., recently published, announced that the Civil List had been passed and that the salaries of Legislative Councillors had been increased to £350, and of Members of the House of Representatives to £500 ; further, that the Prime Minister's salary had been raised by £400 a year (bringing it up to £2,000) and other Ministers by £300 (bringing them to £1,300), and that the increases were retrospective to 1st April last.

commercial or banking rate. The distinction may be illustrated by reference to the American gold dollar; according to the mintage rate, which has not varied, 4.86 dollars are worth one English sovereign; according to the commercial or bank rate, on the other hand, the value of the English sovereign is variable and has been as low as 3.20 dollars. In comparison, however, with the French franc the commercial value of the English sovereign has been appreciated; the mintage rate stands at 25.23 francs per sovereign, but the commercial value is approximately 60 francs.

The limitation of the reference to the rate of exchange in Section 121 of the Customs Act to the mintage rate has resulted, by reason of the variation in the commercial rate, in an advantage to importers from America, and in a grave disadvantage to importers from France and certain other European countries.

The object of the Bill is to permit of the adoption by the Department, for the purpose of assessing Customs duty, either of the mintage or of the commercial rate.

STANDARD TIME BILL.

This Bill was introduced in the House of Representatives by the Minister of Internal Affairs (Hon. G. J. Anderson), and read a first time on the 30th June.

The object of the Bill is to alter the standard time so that New Zealand time may be more conveniently reckoned in relation to Greenwich time.

There are only two clauses in the Bill, which provides that the Standard time in New Zealand shall be the mean solar time of 180 degrees east, that is to say, 12 hours in advance of Greenwich mean time; and this is henceforth to be deemed to be New Zealand Standard time when referred to in Acts, etc., and for all purposes unless otherwise specifically stated.

SOUTH AFRICA.*

The following summary of proceedings of the First Session of the Third Parliament of the Union of South Africa, which opened on 19th March, and ended on 17th August, 1920, is in continuation of the summary commenced in the July issue of the JOURNAL.

Owing to the number of important subjects discussed during the Session it has been found necessary to hold over several matters to the next issue.

SOUTH-WEST AFRICA MANDATE.

In the Senate on 22nd June, 1920, the Prime Minister moved that the House concur in a resolution agreed to by the House of Assembly "under Section 5 of the Treaty of Peace and South-West Africa Mandate Act, 1919, that the operations of the provisions of that Act shall be extended until July, 1921. This House further resolves that the Government be requested to consider the advisability of appointing a Parliamentary Commission representative of all parties in this House to inquire into the question of the future government of the Protectorate and to report not later than December 31st of this year."†

* On September 29th, 1920, a letter was published in the South African Press addressed by the Prime Minister (General Smuts) to the Chairmen and members of the District Committees of the South African Party in which he stated that after repeated and earnest attempts at the reunion of the South African and Nationalist Parties it had become evident that such a reunion was not possible, the Nationalist Party having declared that the active propaganda for secession from the British Commonwealth must form an integral part of their political programme. The S.A.P. regarded such a policy as wrong and dangerous, as a violation of their Constitution, as a breach of good faith and understanding in which both European races came together to found a united South Africa and as an effective means to force the future policy of South Africa on racial lines.

Under these circumstances, the letter continued, another way out of the present political difficulties must be sought, and a new appeal should therefore be made to all right-minded South Africans, irrespective of party or race, to join a new central political party which would declare itself against revolution or violation of the Constitution, a party which all moderate South Africans could join. The letter concluded by pointing out that consideration of this attitude of the S.A.P. towards this party would be the task of the special Congress on 27th October.

† See JOURNAL, Vol. I., No. 3, pp. 552-4.

DEBATE IN THE SENATE.

Senator the Hon. A. D. W. Wolmarans said that what appeared strange to him was that the Union must act as Mandatory on behalf of the League of Nations in regard to the Protectorate, and that League did not exist. They had to wait for the mandate, and therefore had to continue in the same way as they had been doing for the past twelve months, he took it. There were serious allegations against the present administration of South-West Africa, and these should be inquired into. They should not treat the conquered Germans as the Boers had been treated by the Milner *régime* after 1902.

Senator the Hon. A. A. Cilliers spoke in favour of the proposed Commission also inquiring into the past administration of the Protectorate, and moved an amendment to that effect.

Senator the Hon. H. G. Stuart (Chairman of Committees) thought that there was no way open for that House but to vote for the motion. The League of Nations might not, owing to the many difficulties in Europe, be in full working order, but it was there all the same. His opinion was that the best time to go into the matter raised by Mr. Cilliers was when the mandate arrived—if it were necessary to make such an inquiry into the past.

Senator the Hon. C. G. Marais said that grievances had been raised by residents of the territory which should be inquired into. If a civil form of government was to be established there he would favour it. When General Smuts said that the Protectorate was to be considered “an integral part of the Union” did that mean that it was to be absorbed by the Union? He thought the Protectorate belonged to the League of Nations, and that the Union had to administer the territory on behalf of that League—which did not exist!

Senator the Hon. J. J. Ware asked why the Commission was to report before 31st December, as Parliament was not to meet again before March, 1921.

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts) replied that the object was to give members sufficient time to consider the Commission's report before Parliament met next year. He went on to say that as far as South-West Africa was concerned the Union had nothing to do with the League of Nations; Germany had renounced her Colonies to the five Great Powers, not to the League of Nations, according to the Peace Treaty. These Powers had come together, and decided to give the mandate, so far as South-West Africa was concerned, to the Union. Although the U.S.A. was not a member of the League of Nations, it had taken part in the

Supreme Council at Paris and assented to the mandate being given. There was, therefore, no doubt about there being a mandate. Regarding "integral portion," he (General Smuts) had taken part in the drafting, because he felt that there must be no doubts raised in future; the Union was not going to give up what it had bled and suffered for.

With reference to the League of Nations, the beginnings had been small and, in some respects, regrettable, considering what the conditions in Europe were. There was nothing at present to build soundly upon. They must be patient. If they wanted to proceed on the same road as of old—might and war—he saw no future in front of the European race. He still hoped that another spirit would arise in the U.S.A.; there, just as in South Africa, politics went too far, and it was almost impossible for the nation to judge soundly on any great question. He thought that the conscience of the U.S.A. would yet cause her to become a member of the League of Nations. Regarding Mr. Cilliers's amendment, General Smuts said that it would do no good to go into the past; rather let the grass grow over its grave. The people of South-West Africa had been treated better than any of a conquered territory, and many of them said they were doing better than before the war. It must be remembered that the farms had not been devastated.

Senator Cilliers's amendment was negatived by 20 to 6, and the motion was agreed to.

NAVAL AND MILITARY POLICY.

Estimates were discussed in the House of Assembly on 22nd and 23rd July, 1920, when a vote for defence, amounting to £1,267,395, was considered, the provision of military forces was discussed, and the Naval Policy of the Union Government was outlined by the Prime Minister.

DEBATE IN HOUSE OF ASSEMBLY.

Mr. J. Brand Wessels (*Nationalist, Frankfort, O.F.S.*) raised the question of Rifle Associations, and complained that the officers appointed were nearly exclusively men who belonged to the Government's side. Burghers of South Africa were anxious to come together again in the Rifle Associations, and he felt that old feuds should end. Mr. Wessels urged that the Defence Act should have been interpreted in an altogether different spirit from that which

had characterised it so far. It seemed to him that every Government could interpret the Act as it pleased, and that being so the whole Act should be amended.

Proposed Reduction of the Vote.

General the Hon. J. B. M. Hertzog (Leader of the Nationalist Party) moved to reduce the vote by £500,000. Since last year, he said, there had been great increases not only on the defence vote, but also on the police vote. The former increase was £600,000, and the latter £1,500,000. The Government had illegally infringed the Defence Act, and embarked upon what was a pure military system. The Act, in Clause 10, said that there would be a permanent force, a coastal defence force, and certain other forces. Clause 11 said that the permanent force should consist of permanently appointed officers and men charged with the maintenance of order in the Union. Consequently it was to act as a police force at the same time. The intention was that there should not be a purely military force, but a force which, in time of peace, would do police work, then the rest of the military men of military age in the town would be trained so that in time of war they might be called upon.

The Defence Act.

The reason why the Act had been so framed was that there had never been any intention to embark upon an offensive war, the only intention being to use the permanent force for defensive purposes. The Minister of Defence, however, had now informed the House that the S.A.M.R. was to be used purely for police purposes, so that the other forces under the Act would be there purely as military forces. Without asking the views of the House or of the people, the Minister had said: "We shall spend a few millions more to establish other forces." He (General Hertzog) emphatically protested against such action.

The Prime Minister had informed the House of the creation of a League of Nations, the object of which was to preserve the peace of the world. But it was clear to him that the Minister of Defence's actions were not in the direction of preserving peace, but of placing South Africa on the footing of a military nation. Did the Government expect a war outside South Africa in which South Africans would be involved? If so, the House should be informed. If not, why depart from the system which had been sanctioned by Parliament in 1912? They had evidence to show that the military force to be established in South Africa was to fit immediately into the British system. Why should that be so?

Was it anticipated that the British forces might come to South Africa to help South Africa? There must be some reason why their forces were to be so organised as to fit in with the British forces. Or was it proposed that their troops should be sent out of South Africa to wage war elsewhere? It was not the wish of the population that they should become a military people, nor was there any necessity for such. The Government had had ample opportunity to have come to the House for an amendment of the Defence Act. He emphatically protested against the alteration of the basis laid down in the 1912 Act, and he therefore moved to reduce the amount of the vote by half a million.

Uncertainty of the Position.

Mr. G. B. Van Zijl (Unionist, *Cape Town, Harbour*) considered that the department was, to some extent, uncertain as to the position, because in November, 1919, they said that those members of the S.A.M.R. not accepted for service would remain on the permanent establishment of the military force; and in April, 1920, it was stated that any who wished to go would be allowed to do so without purchasing their discharge, and could have the pensions to which they were entitled. He could not see how the men had voluntarily transferred, nor could he find that that had happened from the Minutes of the Defence Department. He could find nothing which spoke about any scheme of retrenchment, re-engaging men, or discharging men.

After referring to Regulation 17P, whereby an officer appointed to the permanent force, S.A.M.R., from the permanent force staff could, unless the Minister declared to the contrary, be placed junior to the rank from which he was appointed, Mr. Van Zijl outlined the various administrative enactments dealing with the age limit for retirement for members of the C.M.R., the question of promotion in the officers' ranks, and other kindred matters. There was, he went on to say, continuous grumbling in regard to the Defence Department, both on the civil and military side. He would suggest to the Minister that before the next Estimates were laid before the House he should arrange to have an impartial Committee of Inquiry into the organisation, administration, and finances of the Department.

Other speakers having addressed the House,

Lieut.-Colonel N. J. Pretorius (S.A.P., *Witwatersberg, Trans.*), supporting the vote, said the feeling of the people was not in favour of a force which had to be called up from time to time, but of a permanent standing force. He also argued in favour of the resumption of the training camps.

Dr. L. Forsyth (*Labour, Cape Town, Gardens*) said the House did not seem to realise that the country was sick of militarism. There was no country in the world which had such a chance of dispensing with militarism as South Africa had.

Mr. W. R. Jagger (*Unionist, Cape Town, Central*) protested against the excessive cost of the Defence Department.

Extravagance Denied.

Colonel the Hon. Hendrik Mentz (*Minister of Defence and Lands*), replying to the debate, said he had not departed from the principle of the citizen army, but until such time as they registered again they must have some kind of a force for ordinary defence purposes. With regard to the charge of extravagance, he had personally sat down with all the officers and cut out £660,000, and he asked hon. members to assist him, for now was the time to economise. Turning to General Hertzog, he said it was quite clear to him that he had not gone carefully into the matter, because, if the £500,000 was taken off the vote, the law would be broken altogether, as there would be no funds to carry out the Act. He emphasised that in whatever had been done the law had been adhered to in every respect, and that the report made by General Beyers on his return from Europe, in regard to the basis of the Defence Force, had been carried out wherever possible.

Progress was reported, and leave obtained to sit again next day.

On the resumption of the debate on 23rd July,

Mr. R. Feetham (*Unionist, Parktown, Trans.*), in connection with the small permanent force, wanted to know what steps were to be taken to give effect to the policy the Government had announced, which was not provided for on the Estimates. No workable scheme had been prepared before the amalgamation scheme was brought into operation in a haphazard way, leaving both officers and men in a state of uncertainty regarding what the intentions of the Government really were. The Minister had now outlined the Government's plans, and had somewhat cleared up the situation, but he hoped that the Minister would definitely state the position so far as the officers and men were concerned.

The Naval Contribution.

After making a few criticisms, adding that he would like to express his appreciation of much that the Minister had said, **Mr. Feetham** said that with regard to the naval contribution,

members would be glad to know if the Government was looking forward to any new policy, as the present contribution could not be regarded as a permanent arrangement. The idea of meeting their obligations by making a monetary contribution was no longer satisfactory to the majority of South Africans. He believed that the Nationalist members, if they saw that South Africa's contribution was represented by a naval force, would take a different view of the matter, because he believed among some of them, at least, there was a real sense of nationalism, and their sense of national self-respect would be satisfied by a contribution which would give South Africa a naval force.

The Services of the British Navy.

The Right Hon. John X. Merriman (South African Party, *Stellenbosch*), after speaking of what South African soldiers had done in the war, said he wished that General Hertzog could have heard the speech of the late Mr. Theron when he owned what great service the British Navy had rendered to that country. The point was what were they going to do. They could not fling millions about. The late Mr. Hofmeyr, in 1897, whilst in Canada, gave a hint that they should contribute by a tax upon the foreign trade, that was that the British Government should apply this tax to the strengthening of the Navy. The contribution should be treated as an insurance. South Africa had a trade of £200,000,000, and it certainly depended entirely on the British Navy. He considered that every country should contribute to the Navy on the basis of a percentage of its trade, then South Africa would feel that it was her Navy, and that she had a link with the force on which the future peace of the world was going to depend. It was monstrous, he considered, that on the overburdened people of England should fall the whole cost of this, and every right-minded man should feel ashamed of making such a demand on such a poor country.

And yet, Mr. Merriman continued, they proceeded to call themselves a nation with "a higher status." Such an attitude did not raise their status at all. He wished to urge his friends on the Nationalist benches to take a broader-minded view of this matter. Some day some fine gentleman would kick a Japanese out of a tramcar, and the next thing they would know that a Japanese warship had arrived in the Bay, and then they would learn to regret the absence of the protection of the British Navy.

General Hertzog said he had moved the reduction of the vote, including the vote for the British Navy, in order to show his protest against the Minister's policy. His views on the Navy were not really concerned in that matter. Still,

that did not mean that he approved of the contribution. He felt about it just as the people of Athens felt towards their contribution to the upkeep of Sparta's fleet.

Continuing, General Hertzog said he would gladly see the contribution of £84,000 doubled if it was used for ships for the protection of South Africa. But they knew only too well how the British Fleet had been held out to them so often by members like Sir Thomas Smartt as a menace to their aims and ideals. How often had they not been threatened that the British Navy would bring men and arms to South Africa in thousands to oppress South Africa? They could not expect him to have the same love for the British Navy as others, but he realised that there were courses along which they could co-operate, respecting and honouring each other's feelings. If anybody could show him an item giving an equal amount on the votes he would be prepared to leave the contribution to the Navy, and take any other item so as to make up £500,000 which he proposed to delete.

The Rights of Small Nations.

After further criticisms of the new system for the defence of South Africa, General Hertzog referred to the League of Nations. He had always, he said, been in favour of a League of Nations, but he had been nervous lest it might degenerate into a huge alliance—and that it had undoubtedly done. There was, however, something which had been secured, and that was this, that humanity as humanity had come to the realisation of the rights of small nations, and whereas in 1914 twenty or thirty countries might have been ready to attack and conquer South Africa, to-day there was not one, and if there might be a number now so disposed, twice ten times that number of countries were ready to prevent it. Conditions being as they were, he held that it was totally unnecessary for the Government to have departed from the system of an active citizen force.

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts) said there appeared to be some misunderstanding which he wished to remove at once. With regard to the fundamental idea of the Defence Act of 1912, there was no idea whatever of departing from the principle laid down in that Act. It was the intention to establish a citizen force, and not a standing army, and it was the intention of the Government to base the defence of the country in the future, as in the past, on the free citizens of the country properly trained and equipped.

The Act of 1912 required that every year there should be registration of the young men of a certain age. During the

war this provision could not be carried out, as large numbers of young men were out of the country and fighting. To-day there was absolutely no material with which to begin their defence system, and it would take another four years once more to get into full swing.

The S.A.M.R.

In 1912, General Smuts continued, they had a system of controlling part of the police force of the country as S.A.M.R., and constituting them, in the first place, as a police force, and in the second place as a military force which could be used for defence purposes. That force practically ceased to exist for the purpose for which it was created, during the war, when the S.A.M.R. were called up from all five districts and sent to the borders of South-West Africa, then into South-West Africa, and large numbers were sent to various theatres of war. Their place was taken by the South African Police, which, since the beginning of 1914, had been policing the whole of the Union.

At the conclusion of the war, therefore, the question arose whether the Defence Department should reconstitute the S.A.M.R. force as it was in 1912-13, and allocate to them again the old districts which they had been policing. Public opinion was in favour of the S.A.P. They were convinced that the admixture of military and police duties did not work well. The Public Service Commission came to the same conclusion. His hon. friend would see, therefore, that the Government had been impartial in the matter, and had simply acted for the convenience of the people of South Africa.

The third reason for the Government's action, and one which should not be overlooked, was that the opinion among the remnants of the S.A.M.R., apart from the officers, was overwhelmingly in favour of going in for purely police work. The bulk of these men had been policemen before, they had been through the mill, and they were almost to a man, so far as the rank and file were concerned, in favour of reverting to the S.A.P. system. That opinion, he submitted, was not to be disregarded. In the face of these considerations, it would have been very wrong simply to have stuck to the letter of the Defence Act and to have forced its carrying out. They were asking nothing in these Estimates for the new standing army.

The Cost of Militarism.

Proceeding, General Smuts said he was not in favour of militarism. He thought that every penny which they spent in that way more than was absolutely necessary was so much

taken away from the development of the country. He agreed that we were entering upon a new system in the world, where public opinion was changing, where the moral safeguards of peoples were perhaps even greater than the technical, legal safeguards. But their position in South Africa, with the standing they had to-day, and having to look entirely to themselves for the maintenance of order and peace in that country, required that they must make certain elementary provision. Next year they would have ample scope to consider this question in full.

The Dominions and the British Navy.

Referring to the Navy, he believed that the attitude which he had taken up was practically that taken up by the other Dominions of the British Empire. In the old days, not so many years ago, the British Admiralty were under the impression that the only proper way of naval defence for the Empire was one united Navy for the whole Empire under one united command. The Dominions—not South Africa, because South Africa was then very small, and its voice was very weak in these matters—were resolutely opposed to such a policy. Australia had started her own navy. New Zealand in 1913 made an arrangement with the British Government by which she was going to start her own navy, and subsequently they had the battle-cruiser “New Zealand” in their waters. That ship was sent back when war broke out in order to form part of the British Navy in the North Sea.

The Present Contribution.

There was a large section of the Canadian Parliament who held rather to the views of Mr. Merriman, and did not want to face the expense of an independent navy. There was no doubt that it was an expensive business. South Africa inherited from the old Colonies two contributions to the British Navy—£60,000 from the Cape, and £25,000 from Natal. This amount of £85,000 had been figuring on their estimates year after year since Union as their contribution to the British Navy. Of course, it was a paltry amount, entirely unworthy of them.

Mr. F. W. Beyers (*Nationalist, Edenburg, O.F.S.*): “Then remove it altogether.”

The Prime Minister: “No, it is entirely unworthy of us, and if it were the policy of the Union I would be heartily ashamed of it. But it is not our policy. It was the policy of our predecessors, before Union, and we did not want to go back upon what had been done.” They could not go on, General Smuts continued, with that contribution. If they had to make a

monetary contribution to the British Navy, as they had done in the past, they would have to do much more if they desired to do their duty in a proper, reasonable, self-respecting manner. But the question was much larger than that. The question of naval policy in that country—whether they should make a contribution to the British Navy or start to form a nucleus of their own the same as other Dominions had done—required very careful consideration. He had been reading the reports which Lord Jellicoe had made to the other Dominions as to their defence. It was a very expensive business.

Mr. C. G. Fiehardt (Nationalist, *Ladybrand, O.F.S.*): “Yes, but it would be our own.”

The Prime Minister: “But you can pay too much even for your own, and I want to protect the taxpayer, too. That is the main reason why in years gone by I have lain low in this matter. We are still in the position that our naval policy has to be shaped yet. Lord Jellicoe was to have come out to South Africa. He has not come here, and we have still no technical advice from any quarter as to what should be, however small, the naval nucleus of our own with which we may start in South Africa. As soon as we begin, this £85,000 contribution, of course, would drop, but we should want much more than £85,000 if we come to that decision.”

South Africa's Interest in Naval Defence.

The naval defence of that country, General Smuts continued, was a matter of great importance, and he was sorry that General Hertzog had spoken with such coldness about the British Navy. He had spoken about the interests of South Africa being first, but there was no doubt that South Africa had the greatest interest in its naval defence. Whatever was happening to the armies of the world, there was great development on the ocean, and there was no doubt that the nations—and the peaceful nations—were continuing to build against each other. Japan was increasing her navy. The United States was also developing her navy on a very large scale, and it had been announced as the policy of America to be second to none on the oceans of the world.

However much they might long for peace, they had to look at these facts, and they did not want South Africa to be the cockpit of future naval wars. If they had to defend themselves against the dangers of the future, that would be entirely beyond their resources. Whatever they could do would be small, and as long as they were members of the British Empire they would have to rely on the defence of the British Navy of their South African interests.

He did not ask the hon. member or any Dutch South African to have any sentiment about the British Navy, but

he wanted him to look at the matter from the point of view of cold South-African self-interest. There was no doubt that the services which the British Navy had rendered to them were priceless, and the services it would continue to render to them would be very great, too.

Proceeding, General Smuts said that what they had done so far, apart from the contribution to the British Navy, was to establish three companies of the Naval Reserve there. They were trained there by the Admiralty. The 300 men who were trained in that way did splendid service during the war in South-West and German East, and he believed that afterwards they went further afield and proved themselves just as much as their young men did who fought on land, and helped to build up a great name for South Africa. The Minister of Defence proposed to increase the Naval Reserve by four more companies. That would entail a certain amount of additional expenditure, but hon. members would see that all this was very important. If they began to talk about having their own navy, the first thing was that they should have men to man their vessels. He trusted, after the long debate which had taken place, that the Committee would now be prepared to come to a vote on these Estimates.

The Hon. Sir Thomas Smartt (Leader of the Unionist Party) said that the question of how the various Dominions should provide for their own coastal defences was receiving the most serious consideration throughout the length and breadth of the British Dominions. Proceeding, Sir Thomas Smartt traced the history of Canadian naval policy and achievement. The question was one of the most important of those the Dominions would have to discuss at the next Imperial Conference. South Africa's present contribution was absolutely inadequate, and represented roughly one-tenth of 1 per cent. on the value of their seaborne commerce.

Colonel F. H. P. Creswell (Leader of the Labour Party) said he was not prepared to increase the naval contribution because he was of the opinion that a nation ought to do its own defending. He agreed with what the Prime Minister had said, and that his speech had been gratifying, but he (Colonel Creswell) had been rather alarmed at General Smuts's statement that next year proposals would be brought forward for increasing the "standing force by the addition of other corps."

The striking force of 1912-13 was primarily intended as a safeguard in connection with native risings, and he believed the need in this direction was growing less. The small standing force would be used primarily for training the youth of the country and for use in case of emergency. After all, he would be a bold man who would venture to say that there would never be any need in the future for nations to be prepared to

defend themselves. In conclusion, he warned the Government against the idea of a Defence Force being used in connection with internal troubles.

Mr. Fichardt asked that they should have their own, and not a "foreign" fleet to protect them in South Africa.

Mr. M. Bisset (*Unionist, South Peninsula, Cape*) said it was unfortunate that the Minister's announcement of his change of policy was not made earlier, when a certain amount of heartburning and sense of injustice would have been prevented. The Defence Act was a good one, and well suited to the requirements of South Africa. As to the naval contribution, it was merely a sentimental contribution. The time had arrived when an attempt should be made to provide a nucleus of a fleet of their own. The response which would be made to a call for men would surprise the Union. They would have something which would appeal to the sentiment, spirit and patriotism of the youth of the Union, and allow them to be trained in ships which went to sea.

Mr. W. B. Madeley (*Labour, Benoni, Trans.*) said their own fleet would cost a few millions, at least, and he thought there was to be no more war: that the last one was to end war. Dealing with the Defence Force, he entered the strongest possible protest against its militarisation or that of the police, though he had no objection to the Citizen Force.

Other members having spoken, and Colonel Mentz having replied to some of the comments upon certain matters relating to his Department which had been made in the course of the debate,

General Hertzog said that after the remarks of the Prime Minister, he would withdraw his motion for the reduction of the vote by £639,000.

The Vote was thereupon agreed to.

ENEMY PROPERTY.

On 28th June, 1920, the question of Enemy Property was discussed by the House of Assembly during the Committee stages of the Bill to apply a further sum not exceeding £3,500,000 on account of the services of the Railways and Harbours Administration for the year ending 31st March, 1921.

DEBATE IN HOUSE OF ASSEMBLY.

The Hon. Sir Thomas Smartt (*Leader of the Unionist Party*) asked if the Minister was prepared to make a statement

regarding the funds now held by the Custodian of Enemy Property. As far as he understood, they had paid out from that fund—and he considered that that was liberal treatment—more, perhaps, than received in any other country. They had also paid on debts owing by the enemy to South African nationals, but he did not believe that the debts owing by the Central Governments to their (South African) nationals, such, for instance, as the “Galway Castle,” had been paid. In cases of that sort an individual had no claim against the Central Governments, but the Government as a Government had, and the people who had suffered losses naturally looked to the Union Government to protect their interests.

The Reparation Commission, he was aware, was supposed to go into cases of that character, but he was not clear if that Commission would be justified in dealing with South African claims because, under the Peace Treaty, South Africa had decided to deal with all those matters, and held its enemy property under its own control. He hoped that the Government would, at any rate, make provisional advances to those sufferers leaving it to be secured, if possible, from the Reparation Commission. He believed the Central Governments were responsible for all pensions and gratuities.

Mr. F. W. Beyers (*Nationalist, Edenburg, O.F.S.*) said that neither from the point of view of right nor of morality could anybody defend a proposal to confiscate private property, and the Nationalist Party would oppose any action in that direction.

Sufferers on the “Galway Castle.”

Mr. T. Boydell (*Labour, Durban, Greyville, Natal*) wished to know the position in regard to the payment of compensation to the 280 sufferers on the “Galway Castle.” He found that they had been dealt with by the Governor-General’s Fund, and average payment made of £35 15s. each. One hundred and thirty-two had requested the Government, through the Custodian of Enemy Property, that the full amount of compensation should be paid to them. The Treasury had dealt with about 280 of these cases and paid an amount of £1,664 against the claim of these persons of £8,700. Over 132 sufferers had been told that they could not claim any more compensation until claims had been dealt with by the Reparation Commission.

But the debts owing by German subjects could be paid out by the Custodian of Enemy Property. Why, then, should those who had lost their effects in the “Galway Castle” be kept waiting for months, and probably years, before they could get compensation?

Mr. C. G. Fichardt (*Nationalist, Ladybrand, O.F.S.*) said that Sir Thomas Smartt’s conception of “fair play and justice”

would rob South Africans of German descent of their money. The Prime Minister knew better than he (Mr. Fichardt) did the services these people gave freely in times of serious difficulties, and he hoped the Government would not make them suffer for the sins of Governments oversea.

Mr. J. W. Jagger (*Unionist, Cape Town Central*) said that all the Germans residing in that country had had restored to them the money taken from them for the time being during the war.

Mr. Fichardt : "What about those who were not domiciled here ?"

Mr. Jagger : "I understand that all those who were living in this country have had their money restored to them." He went on to say that the people who had suffered through the action of the enemy in Belgium and Northern France had the strongest claim to compensation. What was asked now, —and to his mind it was a perfectly fair proposition—was that all South Africans, whether Dutch or English-speaking, who had suffered losses through sinking of ships, for instance, should get back what they had lost. This should be paid out of the moneys belonging to enemies living in enemy countries on the other side of the water.

Mr. Fichardt objected that what Mr. Jagger proposed was pure theft, and nothing else. His (Mr. Fichardt's) trouble was with the people who lived in that country though they were not domiciled there. They should have their money restored to them, and he thought the Minister could devise some plan by which the money would not get into the hands of the German Government.

After further discussion,

The Minister of Finance (*Hon. H. Burton*) said that on the broader question the whole subject had for some time past engaged, and was still engaging, the earnest and continuous attention of the Government. At a later stage the Prime Minister would make a full statement of the Government's intentions and an opportunity would be given to discuss the matter. The claims in connection with the "Galway Castle" were in a different category to the debts due to their nationals and enemy nationals, and were claims of a character which had caused the greatest difficulty, even in England, to decide as to their adjustment.

General the Hon. J. B. M. Hertzog (*Leader of the Nationalist Party*) said he could see no other course for South Africa except to do what was right towards the people who had placed their confidence in South Africa. The Nationalist Party would never consent to the money of private individuals being taken to pay other individuals; whether the individual lived in South Africa or not had nothing to do with the question. South Africa

should not be party to an agreement which was a stain on every law of the civilised world.

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts) said there were very important considerations bearing on the whole matter which had not been debated that afternoon, but which had to be very carefully considered by the Government. He did not suppose, however, that there was a single Government which had come to a conclusion on such claims or the principle upon which they should be dealt with. The Government had tried to look at the interest involved from all the different points of view, and he hoped when they announced their policy that it would be possible for members to give their adhesion to it.

The Bill was reported without amendment and the Third Reading set down for the next day.

EXPORT OF SPECIE.

In the House of Assembly on 31st March, 1920, the debate was continued* upon Colonel F. H. P. Creswell's motion :—

“That it be an instruction to the Select Committee on Public Accounts to inquire into and report to this House not later than 23rd April on the effect on the cost of living of the embargo at present placed on the export of specie.”

The debate was resumed from 23rd March, and the earlier part was dealt with in the April issue of the Journal.

On resuming his speech the **Minister of Finance (Hon. H. Burton)** said the embargo was imposed in August, 1917, to prevent gold going from the country, and to conserve the gold resources of the Union. He thought no one was opposed to the embargo at the time it was made, but they did not realise then that it was bound to take them away from the gold standard.

The Gold Leakage.

South Africa had always been subject to the drain of gold to the East Coast. The Portuguese natives employed on the mines had been responsible for the bulk of this leakage, but before the war there was always a considerable return of the gold through the Portuguese East Africa Banks and through Rhodesia, but latterly, owing to the drainage of gold to India, this had practically ceased. Then the gold

* This portion of the debate was not inserted in the July issue on account of limitations of space.

premium in India had resulted in an organised smuggling traffic to that country.

The leakage, since 30th June, 1914, amounted to £6,400,000, and in the last six months of 1919 it amounted to £1,300,000. This was a very serious state of affairs. Colonel Creswell's speech rather tended to indicate that the banks had been at fault, but it was only fair to say the banks had made every endeavour to obtain gold. It was only since last July, when the South African gold producers were given a free market, that the banks had been able to obtain gold coin, and only then in exchange for gold bullion for which the banks had to pay the market price. This bullion had averaged between 15 and 50 per cent. above mint price, so that importing sovereigns was a very expensive business. The banks, naturally, saw that the expenses were covered by the community. It did not affect the importer of goods, but the expense fell on the exporter of produce. The only person who benefited was the gold smuggler.

Mr. Burton pointed out that if they removed the embargo one of the consequences would be to increase this extra percentage on gold, and instead of benefiting the country that action would probably produce a financial crisis.

Proceeding he said they must consider what was going on in India. India bought gold at a price dependent on New York and London exchange, paying just a little more than those two cities. All importation in India through private channels was forbidden. Colonel Creswell had criticised the Government, but the Government could not put the exchanges right.

Plans for a Mint.

Plans had been got out for a mint to deal with the total gold output of the Union, but the probable cost of a building on that scale would be so large that the Government might be forced to have the buildings somewhat diminished. The refinery and mint would be the largest in the world, and every care should be exercised to see that everything connected with them would be worthy of the country.

He did not consider the Public Accounts Committee was the most suitable body to deal with this matter without outside technical help. It seemed to him that if a Select Committee of the House went into the question of the injurious effects of the embargo on the cost of living it should deal with other aspects which were inextricably bound up with it.

Referring to Mr. Strakosch's views, Mr. Burton said he thought they should have the most careful consideration of any Committee of the House.

The Government had prepared certain Bills to be submitted to the House which, but for the present motion, would probably have come forward in the ordinary course. The Government would submit the proposals contained in those Bills to the Committee. He would suggest for Colonel Creswell's consideration an amendment which would give the Committee a wider scope, and he moved :—

“ That a Select Committee be appointed to inquire into and report upon—

“ (A) The effect of the embargo on the export of specie upon the cost of living, and

“ (B) The desirability and practicability or otherwise, with a view of improving the economic conditions of the Union, of removing the embargo and of modifying the statutory provisions at present in force with regard to currency and banking.”

Cost of Living and Balance of Trade.

Mr. J. W. Jagger (*Unionist, Cape Town Central*) said he hoped Colonel Creswell would accept Mr. Burton's amendment. He himself had raised the question simply and solely from one point of view, namely, the effect on the cost of living in South Africa. In consequence of the enormous issue of paper money in every belligerent country in the world the currency had for the most part been very seriously depreciated with the exception of the United States. This depreciation had varied in different countries, but it was largely proportioned to the amount of paper money issued.

Another factor to be taken into account was the balance of trade of the countries concerned. In his opinion the South African currency had not depreciated at all, or certainly need not have depreciated if the export of gold had been allowed, and would not have depreciated if a free exchange had been permitted in the country. There had been no excessive issue of paper money in South Africa, not sufficient in his mind to depreciate the currency. He maintained that if all restrictions on gold were taken away South African currency would be on exactly the same footing as the currency of the United States. It would be at a considerable premium as compared with the English currency and gold should be flowing into South Africa at the present time.

The banks had been able to maintain the position of artificial exchange because the Government placed the embargo on the export of gold, and this was where the whole question affected the cost of living. Recently the banks had recognised that there was a difference between the South African and the English currency, and had quoted for drafts for London $4\frac{1}{2}$ per cent. discount. That was not nearly sufficient, as the natural basis was about 20 per cent. He thought it would be

a fair thing to say to the banks that they must pay to bring gold out to the country, and the gold-mining companies should pay for the conversion of their gold into coin. He did not consider the public should pay.

If a man exported a certain amount of the produce of the country which realised £100 in depreciated currency, that was worth in South Africa about £80. Consequently if they were only going to get that amount on the other side and pay for the conversion into South African currency they might as well sell their produce for £80 in South Africa. He pointed out that the drainage of gold did not take place from other countries, and instanced Guatemala and Sweden, where the influx of gold was so great that they were obliged to adopt steps to prevent it. He considered, therefore, that the bogey of drainage need not be feared.

The removal of the embargo on gold, Mr. Jagger continued, would be an effective way to reduce the high cost of living, and would encourage the import of goods; and instead of some goods being short there would possibly be over-importation and consumers would benefit. He went on to say that South Africa and Australia were the only countries in the world hanging on to the British currency and asked if it were fair that South Africa should be affected by what was done in England. They should be entirely independent, as was Canada.

The banks were always bad advisers in matters of currency and were now advising an inconvertible paper currency. If that were given effect to prices would go up very much higher, and it would take years for them to get back to a gold standard. He cordially supported the motion as amended.

Depreciation of South African Sovereign.

Dr. C. F. Steyn (*Nationalist, Vredefort, O.F.S.*) said it was perfectly clear that there was too much paper money in England in proportion to the gold reserve, but in South Africa the question was different. With them gold could be demanded for notes, and he asked how it was that the South African sovereign showed a depreciation of 6s. It was due, he considered, to the banking system of the country which had artificially created the exchange.

The way to tackle the problem was to make the banks pay. The Government did not issue paper money, but the banks had done so without adequate security in the way of gold reserves to back their paper issue and liabilities. If South African paper money were backed by gold the exchange must be in their favour, and there could not be a drainage of gold, but it would be dangerous to remove the embargo until the banks had sufficient gold to meet their note and other liabilities.

It was of paramount importance that Government should take steps to remedy the present state of exchange which involved South Africa in a loss of millions every year in their dealings with America. There was something radically wrong when the South African pound-note was worth only 14s. 6d. in Holland. Having entirely agreed with Mr. Jagger, Dr. Steyn said he was absolutely opposed to the proposal to make South African bank notes inconvertible.

Mr. F. W. Beyers (*Nationalist, Edenburg, Trans.*) held that the statements made by the Minister of Finance were inaccurate in many respects. He declared that the people who had made the great profits out of the position were the shareholders in the gold mines. All this was due to the gold premium. He declared the embargo on the export of specie was to protect the banks.

Referring to General Smuts's statement at Bloemfontein, that there was a full covering for the £8,000,000 which was in circulation in bank notes, Mr. Beyers insisted that no banker would dream of having such a full covering of gold. Yet that statement was made by the Premier—the man who was supposed to lead the country and keep the public informed. He (Mr. Beyers) made bold to say that on 31st December the covering was no more than $7\frac{1}{2}$ per cent. He held that the way out of the present difficulty was to remove the embargo and enable South Africa to send its gold to any part of the world it pleased. South Africa was suffering to-day because it was under the thumb of the banks and mine magnates, and the only remedy was for the Government to take up a strong and determined attitude in order to put things right.

Mr. M. Kentridge (*Labour, Fordsburg, Trans.*) said the high cost of living was largely accentuated by the number of changes a sovereign experienced at the hands of intermediate speculators. He supported Colonel Creswell's motion for the abolition of the embargo.

Mr. C. J. Langenhoven (*Nationalist, Oudtshoorn, Cape*) held that the mines and banks had profited from the position which had been created with the consent of the Government. He also blamed the British connection. England had gone half bankrupt through the war and South Africa was now asked to see her through her bankruptcy.

Colonel F. H. P. Creswell, replying to the debate, said he would be prepared to accept Mr. Burton's amendment. Dealing with Mr. Langenhoven's speech he wondered if there was anything wrong in the world that the hon. Member did not think was due to the British connection. He would withdraw his motion.

Mr. Burton's amendment then became the main motion and was agreed to.

CURRENCY AND BANKING BILL.

In the House of Assembly on 5th July, 1920, the Minister of Finance moved for leave to introduce a Bill* to conserve the specie supplies of the Union by the issue of gold certificates, to provide for the establishment of a Central Reserve Bank for the Union, and to regulate the issue of bank notes and the keeping of reserves with a view to secure greater stability in the monetary system of the Union, etc.

A Select Committee of the House was appointed in March to inquire into "the effects on the cost of living of the embargo at present placed on the export of specie," see page 756, and also JOURNAL OF THE PARLIAMENTS OF THE EMPIRE, Vol. I., No. 2 (April, 1920), p. 388, and its report was published on 1st July, 1920.

In the course of this Report the Committee expressed the opinion that the Government could not, in the circumstances, have avoided imposing the embargo as and when it did; and after discussing the assumption, which they considered doubtful, that the removal of the embargo would automatically raise the exchange to gold parity and that it would be maintained at that level, also the causes for the exceptionally heavy disappearance of gold coin from circulation in the Union, the Report continued:—

"The banks and other witnesses impressed upon your Committee the imminent danger, if the embargo were removed, of the Union being completely denuded of its specie reserves, and your Committee is so impressed with the reality of this danger that it is not prepared to face the responsibility of recommending the removal of the embargo, especially in view of the inadequacy of the reserves at present. . . ."

The Report proceeds: "Your Committee is satisfied that a currency based on a true gold foundation, that is, that is convertible into gold coin on demand, and is free from restriction upon the export of gold, whether specie or bullion, is the soundest and the best; and that our currency situation requires that such measures shall be adopted as shall steadily and definitely aim at the restoration of our currency to the effective gold basis upon which it stood prior to the interference therewith by the Proclamation prohibiting the export of gold coin from the Union."

The Report outlines certain modifications of currency and banking law and advocates the preservation of the convertibility of the present bank note currency for the time being and pending its replacement by notes of a central bank of issue, but to take gold out of circulation and replace it by fully covered certificates, such certificates to be temporarily inconvertible pending the restoration of the gold standard.

Appended is a draft Currency and Banking Bill based upon this Report which was introduced as mentioned above.*

* As the Act in its final form had not reached this country at the time of going to press with the present number of the JOURNAL the summary of the Act is held over until the next issue, when it is hoped also to give a summary of the lengthy discussion in Parliament upon this subject.

INCREASED ALLOWANCES FOR MEMBERS OF PARLIAMENT.

In the House of Assembly on 21st June, 1920, the recommendation of the Committee on Standing Rules and Orders that Members of Parliament should be paid a special temporary allowance of £200 per annum, in addition to the £400 now provided, was discussed.

DEBATE IN HOUSE OF ASSEMBLY.

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts) in moving the adoption of the Committee's report said that the allowance of £400 for Members of Parliament fixed in the South Africa Act had long ceased to bear any relation to the conditions existing in the country. The cost of living had gone up from 60 to 70 per cent., and wages and salaries had moved up correspondingly. During the last two years, he believed the salaries of civil servants had been increased by 50 per cent., and it could not for a moment be doubted that the necessity and justice of an increase in the allowance of Members of Parliament was just as great, if not greater, than in the case of ordinary civil servants. Members of Parliament, especially the members of that House, were mostly poor. The institutions of their country were thoroughly democratic, and if the voters decided that poor men, without means and without leisure, should represent them in that House, they had a perfect right to do so.

Members' Long Journeys.

For one-half of every year practically members had to leave their businesses, come to Cape Town, and make their home in the Legislative Capital. Members gathered there from all parts and from long distances. It was an arrangement which, on many grounds, worked with great difficulty, and he, General Smuts, felt that the hardships which it imposed on the members compelled them to take the allowances into revision in connection with the special circumstances existing to-day.

Objections Considered.

What were the objections to this proposal? There was first the objection in principle, that there should be no payment to members at all, that the distinction of working for one's country was enough. That principle had not only

disappeared in most, if not all, other countries, but it was deliberately vetoed in the South Africa Act itself. The second objection was that it was indecent for members to increase their own allowances, and that by so doing they would lower the House in the estimation of the country generally. That was an objection which had to be weighed. All over the world to-day Parliamentary institutions were on their trial.

They had tried to overcome this difficulty, for, though it had been felt for a very long time that justice was not met under existing circumstances, no action had been taken by the House or members of the House to right the situation, and it was only after a Select Committee had taken up the matter and gone into it carefully that this recommendation had been made.

General Smuts thought, in a matter like this, they should be guided by the justice and fairness of the case. For weeks the proposal had been on the Table and had been published all over the country, and he did not know of any members having heard of any objection. This being so, he thought their course was clear, and that the fixing of a proper, fair, and reasonable allowance was one of the things which would make the parliamentary system of that country workable under the conditions existing at present. He reminded them that this additional allowance was only temporary and special. It was not proposed to alter the amount settled in the South Africa Act, which was the law of the land.

The "Aristocracy of Intellect."

Dr. D. F. Malan (*Nationalist, Calvinia, Cape*) supported the motion, and speaking as a member of the Select Committee, said the question had been very carefully considered from every side. The days of government by the aristocracy of birth had passed, and had been substituted by government by the aristocracy of intellect. At the same time, Dr. Malan urged the necessity of being careful lest the allowance were made so high that professional politicians might be attracted.

Mr. H. W. Sampson (*Labour, Siemert, Jeppes, Trans.*) said he was one of those in the House who had thought from the beginning that the present allowance was insufficient to permit of members carrying out their duties in the proper manner. They were Members of Parliament all the year round, and not for a portion of the year.

Voters not Properly Consulted.

The Hon. Sir Thomas Smartt (*Leader of the Unionist Party*) agreed with the Prime Minister that the circumstances had

completely changed, but that point should have been brought forward before the recent General Election. As it was, the matter had not been prominently before the voters. He was as anxious as any one to see the House representative of all sections of the community, but they must consider the question whether they were going to raise the remuneration to such a level as to make the retention of a seat in Parliament one of financial advantage to a member. It was a very serious thing to give a member greater remuneration than he could obtain outside the House. The alteration, if made, should be carried out by an Act of Parliament, and not by a mere resolution.

The Right Hon. J. X. Merriman (*South African Party, Stellenbosch, Cape*) asked the Prime Minister if he had had any serious demand in the country for this, or had he heard one single constituency say that members were not receiving enough for their valuable services. All he heard was that members received a great deal too much.

Members as "Profiteers."

They had been talking for the whole of the Session, continued Mr. Merriman, dealing with Bills about the cost of living and the poverty of the people. What the people would say was that members were profiteers. In America they had done something similar, and there the people called them "grabbers." Then there was the question of making it worth a man's while. In order to retain their seats public money would be squandered by members through making promises to constituents. As the pay to the Members of Parliament was increased, so the reputation, power and virtue of Parliament had diminished.

Allowance not a Salary.

Mr. N. B. Papenfus (*S.A.P., Hospital, Trans.*) said he took it that it was the intention of the South Africa Act in fixing the allowance at £400 per annum to reimburse members for reasonable out-of-pocket expenses. It was never contemplated that they should be paid for their services or receive a salary. On the basis that the House sat for five months each year, he contended that £80 a month was an ample allowance.

Sir David Harris (*Independent, Beaconsfield, Cape*) objected to the general terms of the recommendation in speaking of "all" Members of Parliament. There were certain members who were very attentive to their duties, while there were others whom he could only describe as "flitters." Those honourable members were not entitled to any additional allowance. He thought the allowance should

be paid on a sliding scale. If they reduced the number of members to fifty, and the business of the House were conducted with less talk and more ability, it would be worth while paying those members £1,000 a year.

Custodians of the Public Purse.

The Hon. Sir Edgar Walton (*Unionist, Port Elizabeth, Central, Cape*) thought there would be but one expression of opinion in the country if this recommendation were carried, and that would be one of condemnation. No one had the right to vote himself money out of the public purse when he had not asked his constituents, and had not their authority to do so. As Members of Parliament they were custodians of the public purse, and here it was proposed that they should filch money from it. Members had been sent there specially to deal with the high cost of living; they had sat for three months, and so far had accomplished nothing.

Colonel F. H. P. Creswell (*Leader of the Labour Party*) had no hesitation whatever in supporting the motion. For the good of the country it must be placed in the power of the poorest man to perform his Parliamentary duties. During the recess he sometimes did professional work, but he would rather give the whole of his time, without anxieties as to his finances, to the business of the country throughout the year, for a member's Parliamentary duties did not end when the Session terminated.

Mr. G. Whitaker (*Independent, King William's Town, Cape*) moved that the debate be adjourned, so as to give the country an opportunity of expressing its views on the matter.

The motion was not seconded.

Mr. D. M. Brown (*Unionist, Three Rivers, Cape*) moved the following amendment:—

“That the report be referred back to the Committee, with instructions to submit an alternative proposal of paying those members of Parliament who reside 20 miles from the Legislative Capital a subsistence allowance in addition to the present Parliamentary allowance of £400 per annum.”

Mr. W. P. Buchanan (*Unionist, Newlands, Cape*) seconded.

The Prime Minister said he did not think any argument had been adduced which had not been fully considered in the Committee, or that any useful purpose would be served by referring the matter back. It was comparatively so small an issue that it was useless marching it along with the other

grave issues on which general elections were fought. The country had ample opportunity to deal with the matter, and not a word had been said against it. Referring to the point whether it was possible by such a vote as that proposed to legalise the payment, General Smuts said they were taking the vote of both Houses, and if it was agreed to it would be brought forward on the estimates in the ordinary way, and finally be passed in the Finance Act. As it would be brought up in the Finance Act year by year, it was therefore temporary legislation which it was possible to revise at any time should conditions vary.

The amendment was defeated.

The motion was agreed to by 72 votes to 24, and the resolution was ordered to be transmitted to the Senate for its concurrence.

THE SENATE.

Resolution in Conflict with Constitution.

In the Senate on 25th June, **The President** ruled that the resolution, as it now stood, was in conflict with the provisions of Section 56 of the Constitution, as amended by Act 21 of 1916, and was, therefore, *ultra vires*; the only means by which it could be made *intra vires* was by the *period*, for which the special temporary allowance was to be applied, being specified in the resolution; and unless such an amendment were carried the resolution was in conflict with the Constitution and, therefore, out of order.

Senator the Hon. G. G. Munnik moved, as an amendment, that the words "to March 31, 1921" be inserted.

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts) said that he regretted the President's ruling. He thought that the Senate would have been given an opportunity of arguing the matter and expressing an opinion. He thought that the matter now required very careful consideration, and he moved the adjournment of the Debate.

In the Senate on 29th June, the Resolution received from the House of Assembly came up for discussion.

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts) did not question the President's important ruling, and did not think it necessary to express an opinion: he left it entirely to the Senate. The resolution brought by the Government in its present form was entirely ineffective—it had simply been intended as an expression of opinion of the two Houses of Parliament, and the Government thought it proper, before

dealing with the matter in the only properly legal, statutory way in which it should be dealt with, to take that opinion.

The British Method.

There were precedents for not coming to that Chamber at all with such a resolution. When salaries were first given to members of the British House of Commons, all that the House of Commons did was to introduce a resolution, which was not sent to the Higher Chamber. The amount was put on the Estimates and passed through a Finance Act. But the Government thought it would not be courteous in a matter of this kind, which also concerned senators, not to submit the resolution to the Senate.

The real, effective procedure was to come, General Smuts continued, and the additional amount would have to be placed on the Estimates. The Government would come before the House in due course with the Finance Bill, and that House would deal with it in accordance with the Constitution; but only an Act of Parliament could be the authority for the payment of this money. He (General Smuts) thought it would be idle and futile to press the resolution, and the only course for him was to withdraw it from the Senate, and proceed in the way the Government meant to proceed.

The President having ruled the motion out of order, the matter dropped.

HOUSE OF ASSEMBLY.

In the House of Assembly, on the 12th August, the discussion was resumed in Committee on the Supplementary Estimates from Revenue Funds.

Mr. J. W. Jagger (Unionist, *Cape Town Central*), protested against "the improper manner in which the matter of Senators' Allowances was being brought forward." He referred to Section 26 of the Act of Union and said he considered the Government's action was illegal. A Bill should have been brought into Parliament. In 1907 a Bill was brought into the Australian Parliament with the same object and was discussed in proper legal fashion.

Mr. Richard Feetham (Unionist, *Parktown, Trans.*) said he thought the method of dealing with Parliamentary Allowances was absolutely indefensible. They were asked by an entry in the Estimates to make a change in the Act of Union which fixed the amount of payment to Members.

The vote being put, Mr. Jagger called for a Division which resulted in the vote for increased allowances to Senators being carried by 67 to 21.

On the vote for increased allowance (£27,800) to Members of the House of Assembly, Mr. R. Feetham moved the reduction of the vote by £25,400. This was negatived by 69 votes to 20. Col. Cresswell moved to omit the words "granted under the Resolution of Parliament" and to substitute "recommended by Resolution of the House of Assembly." This was agreed to.

THE FUTURE OF THE SENATE.

On the Estimates (Vote 2, Senate, £24,020) a discussion on the future of the Senate took place in Committee of Supply in the House of Assembly on 21st June, 1920.

DEBATE IN HOUSE OF ASSEMBLY.

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts), replying to Col. Creswell, said that it was still the intention of the Government to make arrangements for a Speaker's Conference to be called immediately after the recess. That Conference would occupy some time and would make its recommendations in due course. The new Senate would be elected after 31st October next, as provided for by the South Africa Act. He did not think it was likely, though he did not want to prejudge the matter, that it would be possible to devote a special session of Parliament in order to dispose of this very difficult and contentious matter before 31st October next.

The Hon. Sir Thomas Smartt (Leader of the Unionist Party) asked whether the Prime Minister could not appoint a small body of people so that its report might be laid before the House before it rose. If this were not done, it was clear that the new Senate would be elected on 31st October, and that it would sit for ten years. He had held, since the date of the National Convention, that the Second Chamber should be a true index of every party in the State, and the Senate to-day was not a true index.

The Prime Minister said he would see what could be done. The Vote was agreed to.

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts), in the House of Assembly on 12th August, referred to the Government nomination of nominated Senators, and in replying to General Hertzog said that all that was agreed and put into the South Africa Act was the allocation of eight Senators to each Province. With regard to the other eight the intention was to give the Government a free hand, and in proof of that General Smuts referred to the first eight Senators actually nominated by the Government. Of these eight, two were resident in the Transvaal, one in Natal, one in the Free State, and four in the Cape. The position to-day, as Senator Marks had died, and his place had not been filled up by the Transvaal, was that the nominated Senators were five for the Cape and one each for the other three Provinces. The other point raised was that the four Senators nominated in respect of native affairs should also be equally divided amongst the Provinces, but the original nominations did not include a native Senator for the Free State. As to whether the Government was prepared to consult parties in regard to the Senators to be nominated or to give representation to parties, the Government should have an absolutely free hand with regard to these nominations. When they nominated the original eight Senators they did not consult parties. There were three parties, two large and the small beginnings of a third. The Labour Party did not get a Senator. In the Transvaal, after the Government party had nominated their Senators on proportional representation, they had a few votes to spare, and gave them to Senator Whiteside.* With regard to the other nominations the Government did not consult parties, and with one exception the whole lot of them belonged to the Government party.

In all these circumstances they would be acting in the true intention of the Constitution if the Government did not bind itself. The South Africa Act provided that nominated Senators sat for ten years and until other provision was made. Three of these Senators would be for native affairs. The nominated Senators were not affected by the dissolution of the Senate so long as the South Africa Act remained, and under Section 25 of that Act the Government had power to sweep away nominated Senators, native Senators, and even the Senate itself.

Mr. F. W. Beyers (Nationalist, Edenburg, O.F.S.) argued that the nomination of Senators should take place before 31st October. He considered that it would cause great dissatisfaction if the Government nominated only Government supporters as Senators.

* Senator Whiteside is a Senator representing Labour interests.

The Prime Minister said he considered that it would be undesirable to make any nominations before the dissolution of the present Senate.

The question was further discussed in the House of Assembly on 11th August, when

General the Hon. J. B. M. Hertzog (Leader of the Nationalist Party) argued that every party should be consulted in the appointment of Senators, and pointed out that nominations were on a Federal basis.

The Hon. Sir Thomas Smartt (Leader of the Unionist Party) said the intention of the Act of Union was to look through the whole of the country, irrespective of party, and nominate the men who would have the support of the vast majority of the people of the Union.

THE SENATE.

In the Senate on 17th August,

The Prime Minister stated that the present Senate would automatically expire by effluxion of time on 31st October. The new Senate would be elected under the present Constitution. With regard to the Speaker's Conference, it would have to report to the Government, and Parliament would have to ratify its decision. The Government hoped to make the appointment of the nominated Senators before the election of Senators.

RENTS ACT.

The object of this Act, which passed through all stages during the Session, is to constitute boards to control, fix and reduce rents charged for dwellings, and for other incidental purposes.

The Act provides for the constitution by the Governor-General of Rent Boards within areas to be notified in the *Gazette*, and such Boards to consist of a chairman, and not less than two other persons appointed by the Governor-General.

A Rent Board shall receive or investigate any complaint from any lessee that he has been required to pay an unreasonable rent for any property let to him as a dwelling ; serve a copy upon the lessor ; and summon the lessor and lessee to appear before it for examination.

When the Board is satisfied that the complaint is well founded it shall order the lessor to reduce the rent to a rent fixed as reasonable

and may further order the lessor to pay a sum not exceeding five pounds to the lessee for his expenses. If the lessee's complaint is vexatious or unreasonable a similar order may be made against him in respect of the lessor's expenses.

The lessor shall be liable to a fine not exceeding five pounds for every day on which, without reasonable cause, he makes default in complying with the requirements of the Board. If he wilfully makes a false return in any material particular he shall be liable on conviction to the penalties for perjury. The Rent Board shall examine any such return, and after hearing necessary evidence, order the lessor to reduce the rent charged to a rent which it fixes as reasonable.

If an unreasonable rent has been charged since the commencement of the Act, the Board may order the lessor to refund as from the date of such commencement to the lessee so much as is in excess of the amount which it determines to have been a reasonable rent.

No order for the recovery of possession of a dwelling or for the ejectment of a lessee therefrom based on the fact of the lease having expired or in consequence of any notice duly given shall be made so long as the lessee continues to pay a reasonable rent and performs the other conditions of the tenancy unless (A) the lessee has done or is doing material damage to the property, or (B) has been guilty of conduct which is a nuisance to neighbouring occupiers, or (C) that the premises are reasonably required by the lessor for the personal occupation of himself or of some person in his employ, etc.

The provisions of this Act shall not apply to a dwelling let at a rent which includes any payment in respect of board and attendance, to a dwelling which is let as a fully furnished dwelling, or to a dwelling completed after 1st April, 1920.

No rent shall be regarded as unreasonable in the case of a dwelling erected since 1st July, 1914, which, after deduction of rates and taxes, etc., paid in respect of it and the land on which it is situate gives the lessor an annual return of not more than ten per cent. on the actual cost of erection of the dwelling and six per cent. on the actual cost to the owner erecting the dwelling of the land on which it is situate and occupied in connection with it.

WOMEN'S FRANCHISE.

In the House of Assembly on 2nd August, 1910, replying to a question by Mr. Hills as to whether the Women's Enfranchisement Bill was to be taken that Session,

The Prime Minister (Lieut.-General the Right Hon. J. C. Smuts) said he was sorry that the Bill had to be written off for that Session. Mr. Hills was very much mistaken if he thought that towards the end of the Session a Bill like that could be carried through.

ACTS PASSED.*

The following Acts, which are dealt with in this and preceding numbers of the JOURNAL, are amongst those which have been passed during the Session :—

Currency and Banking.

Native Affairs.

Profiteering.

Constitution of the Senate.

Rents.

NEWFOUNDLAND.

Owing to the non-receipt of the Parliamentary Debates from this Dominion, it is regretted that it has not been possible to include in the present JOURNAL a summary of the proceedings of the First Session of the twenty-fourth Parliament which terminated on 13th July, 1920.

*A summary of the Housing Act and of the discussion in Parliament has been held over to the next issue as a copy of the Act had not arrived at the time of going to Press.

JOURNAL OF THE PARLIAMENTS OF THE EMPIRE.

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TO
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1920. *Index of 1-74*

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ABBREVIATIONS.

A.	= Answer(s).	Q.	= Question(s).
Aust.	= Australia.	Q. & A.	= Question(s) and Answer(s).
Aust. Com.	= Australian Commonwealth.	q.v.	= quod vide.
Can.	= Canada.	Ref.	= Reform.
C.-L.	= Coalition Liberal.	S. Africa	= South Africa.
C.-U.	= Coalition Unionist.	S.A.P.	= South African Party.
Ind.	= Independent.	sqq.	= sequitur (and following pages).
Ind. Lib.	= Independent Liberal.	S.W. Africa	= South-West Africa.
Ind. U.	= Independent Unionist.	Tas.	= Tasmania.
Lab.	= Labour.	U.	= Unionist.
Lib.	= Liberal.	U.K.	= United Kingdom.
Nat.	= Nationalist.	Vic.	= Victoria.
Newfld.	= Newfoundland.	W. Aust.	= Western Australia.
N.S.W.	= New South Wales.		
N.Z.	= New Zealand.		

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